

**Opinion of the Independent Financial Advisor  
Regarding to Acquisition and Disposition of the Assets**

**Of**



**Dusit Thani Public Company Limited**

**By**



**Silom Advisory Co., Ltd.**

**Dated 5 April 2017**

UNOFFICIAL TRANSLATION

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### *Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets*

Dated 5 April 2017

To     The Shareholders  
       Dusit Thani Public Company Limited

Subject   Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets

On 28 February 2017, the Board of Directors' Meeting of the Company No. 2/2017 resolved to propose to a meeting of shareholders to consider and approve the Company's joint investment in a mixed-use property development project (the "Mixed-Use Project") which will consist of a hotel, residence, retail shopping center and office building on the 23-2-2.72 rais of land at the intersection of Silom Road and Rama IV Road with the the total investment value not exceeding Baht 36,700 Million as elaborated more in the section 3 of this IFA's report.

On 22 December 2016, the Company signed a land lease agreement with the CPB with a term of 30 years. When the land lease period ends, the Company will have the right to extend the term for another 30 years. The lease commencement date will begin as from 1 July 2024. In order to comply with the terms and conditions of the new land lease agreement with CPB, the Company shall waive its right to lease the land as per the existing land lease agreement, which will expire on 31 March 2018 as well as the right to extend the land lease agreement for another 15 years in order for the new land lease agreement to become effective. However, Dusit Thani Hotel Bangkok will be entitled to operate on the current location until 1 July 2018. And after the Company stops the Dusit Bangkok's operation, the company and Central Pattana Public Company ("CPN") or joint partner will commence the Mixed-Use Project.

The sales of Vimarn Suriya Company Limited (HRRJV), Suanlum Property Company Limited (REJV) and Phraram 4 Development Company Limited (OJV) shares is deemed a disposition of assets of the Company pursuant to the Section 107 (2) (a) of the Public Companies Act. Therefore, the Company shall convene a shareholders meeting to approve the decision to enter into the transactions which shall require at least  $\frac{3}{4}$  of the total votes of the shareholders attending the meeting and have the right to vote, excluding interested shareholders' equity.

Entering into transaction of HRRJV and REJV is considered a Class 4 Transaction in accordance with the Notification on Acquisition or Disposition of Assets. However, since those acquisition transactions meet all requirements of exemption as per Clause 24. The Stock Exchange of Thailand may not treat them as a new listing application;

1.The acquired business is in a similar line of business or mutually supporting business to the listed company. Since currently, the core business of the Company is hotel, the Mixed-Use Project has similar line of business for hotel and office building, and the residence and retail shopping center business will also mutually support the current core business of the Company.

2.The listed company has no policy to make a major change in its main business after the acquisition because the core business and main revenues of the Company will be from hotel business after the Mixed-Use Project starts the operation.

3.The enlarged group resulting from the acquisition of assets has suitable qualifications for listing with the Exchange since the Company and its subsidiaries still maintain the same principle of internal control system.

The Company and its subsidiaries have no conflict of interest because CPN is only a partner for the joint venture in subsidiary level and in the Mixed-Use Project.

4. There will be no material change in the composition of the board of directors of the listed company or in the power to control the listed company or in the controlling shareholders of the listed company since no directors or executives from CPN will become directors or executives of the Company because CPN is only a partner for the joint venture in subsidiary level and in the Mixed-Use Project.

The acquisition transactions meet all requirement as per Clause 24 under 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 and Disposition of Assets B.E. 2004. The Company shall, therefore, report disclosing the acquisition of assets to the Stock Exchange and shall appoint Independent Financial Advisor to give opinions related to the entering into the transaction to the shareholders. The Company shall also convene a shareholders meeting to approve the decision to enter into the transactions which shall require at least  $\frac{3}{4}$  of the total votes of the shareholders attending the meeting and have the right to vote, excluding interested shareholders' equity.

OJV investment transaction is deemed the disposition of assets, Class 2 transaction in accordance with the Notification on Acquisition or Disposition of Assets. The Company shall immediately report disclosing the transaction to the Stock Exchange and shall inform the shareholders within 21 days as from the day the transaction information is disclosed to the Stock Exchange. Nevertheless, since this transaction of disposition of assets is part of the mixed-use property development project, the Company will propose this transaction to the shareholders for approval together with the transaction of acquisition of assets.

In addition, to ensure that the shareholders will have sufficient information related to the transaction prior to casting their votes, the Board of Directors approved to appoint Silom Advisory Co., Ltd. as an independent financial advisor to give opinion to the shareholders about the transactions of acquisition and disposition.

Despite the fact that the appointed Independent Financial Advisor has thoroughly and carefully verified the Company-given information and relevant documents, there might be commercially sensitive information that cannot be disclosed in this report for it may affect the Company and its business alliances such as details of capital increase, some part of land rental, rental of Bare shell of Retail Shopping Center and details of share purchase related to HRRJV and REJV. However, after a due consideration from the IFA, there shall be no impact on the IFA's opinion. Some decimal numbers shown in this report may be derived by the rounding of the 2<sup>nd</sup> or 3<sup>rd</sup> decimal place (as the case may be). Therefore, the actual result of calculations may differ from the figures appear in the report.

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Attachment 3	Summary of contracts and key documents
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## **Definitions**

<b>Definitions</b>	
DTC or Company	: Dusit Thani Public Company Limited
CPN	: Central Pattana Public Company Limited
CPB	: The Crown Property Bureau of Thailand
HRRJV	: Vimarn Suriya Company Limited
REJV	: Suanlum Property Company Limited
OJV	: Phraram 4 Development Company Limited
OfficeCo	: Saladang Property Management Company Limited
IFA	: Silom Advisory Company Limited or Independent Financial Advisor
SEC	: Securities and Exchange Commission
SET	: Stock Exchange of Thailand
IFA report	: Opinion of the Independent Financial Advisor regarding acquisition and disposition of assets
Mixed-Use	: Mixed-Use project consisting of Hotel, Residence, Retail Shopping Center and Office Building
Acquisition and Disposition of Assets	: Investment transactions in HRRJV, REJV, OJV
Investment in HRRJV	: Investment in the mixed-use property development project consisting of Hotel, Residence and Bare shell of Retail Shopping Center
Land Lease Transaction between CPB and DTC	: DTC will enter into 30-year Land Lease Agreement for the land area of 23-2-2.72 rais with CPB, with the right to extend for another period of 30 years under the same terms and conditions (Totaling 60 years, excluding the construction period of 7 years commencing from 1 July 2017)
Land Sublease Transaction between DTC and HRRJV	: DTC will enter into 30-year Land Sublease Agreement for the land area approximately 21 rais with HRRJV, with the right to extend for another period of 30 years under the same terms and conditions (Totaling 60 years, excluding the construction period of 7 years)
Joint Investment in HRRJV	: DTC and CPN will jointly invest in HRRJV to develop a mixed-use project consisting of Hotel, Residence, Bare shell of Retail Shopping Center
Bare shell Building Lease between HRRJV and REJV	: HRRJV will enter into the Building Lease Agreement to lease the Bare shell of Retail Shopping Center to REJV with a term of 30 years and the right to extend for another period of 30 years (totaling 60 years)
Disposition of HRRJV Shares	: DTC will sell 40% of HRRJV shares to CPN
Investment in REJV	: Investment in Retail Shopping Center
Joint Investment in REJV	: DTC and CPN will jointly invest in REJV to develop Retail Shopping Center
Disposition of REJV Shares	: DTC will sell 85% of REJV shares to CPN

## **Definitions**

Investment in OJV	: Investment in OJV with an aim to hold the land lease right for Project Office, then sub-lease the land to OfficeCo to develop and construct Office Building
Land Lease Right Assignment to OJV	: DTC will enter into the 30-year Lease Right Assignment Agreement in order to transfer lease right of land area approximately 2 rais 2 ngan to OJV. OJV entitles to the right to extend for another period of 29 years 6 months (totaling 59 years 6 months)
Land Lease Transaction between CPB and OJV	: OJV will directly enter into the 30-year Land Lease Agreement for the land area approximately 2 rais 2 ngan with CPB, with the right to extend for another period of 29 years 6 months (totaling 59 years 6 months)
Land Sublease Transaction between OJV and OfficeCo	: OJV will enter into 30-year Land Sublease Agreement for the land area approximately of 2 rais 2 ngan with OfficeCo. OfficeCo entitles to the right to extend for another period of 29 years 6 months (totaling 59 years 6 months)
Closing Date	: Date of transactions which expected to be in the beginning of July 2017
PLC Act	: Public Limited Company Act B.E. 2535 (as amended)
Securities and Exchange Act	Securities and Exchange Act B.E. 2535 (as amended)
Notification on Acquisition or Disposal	: The Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated 31 August 2008, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004, dated 29 October 2004 (as amended)
Notification Relating to Connected Transaction	: the Notification of the Capital Market Supervisory Board No. Tor Jor 21/2551 re: the requirements on the conclusion of connected transactions, dated 31 August 2008 (as amended), and the notification of the Board of Governors of the Stock Exchange of Thailand re: disclosure of information and operations of the listed company regarding connected transactions B.E. 2546, dated 19 November 2003 (as amended)
Deadlock	: The circumstance that counter parties unable to agree upon
MLR	: The average of Minimum Loan Rate of 4 banks; Bangkok Bank, Kasikorn Bank, Siam Commercial Bank and Krungthai Bank. The average MLR as of 31 December 2016 is 6.26% p.a.

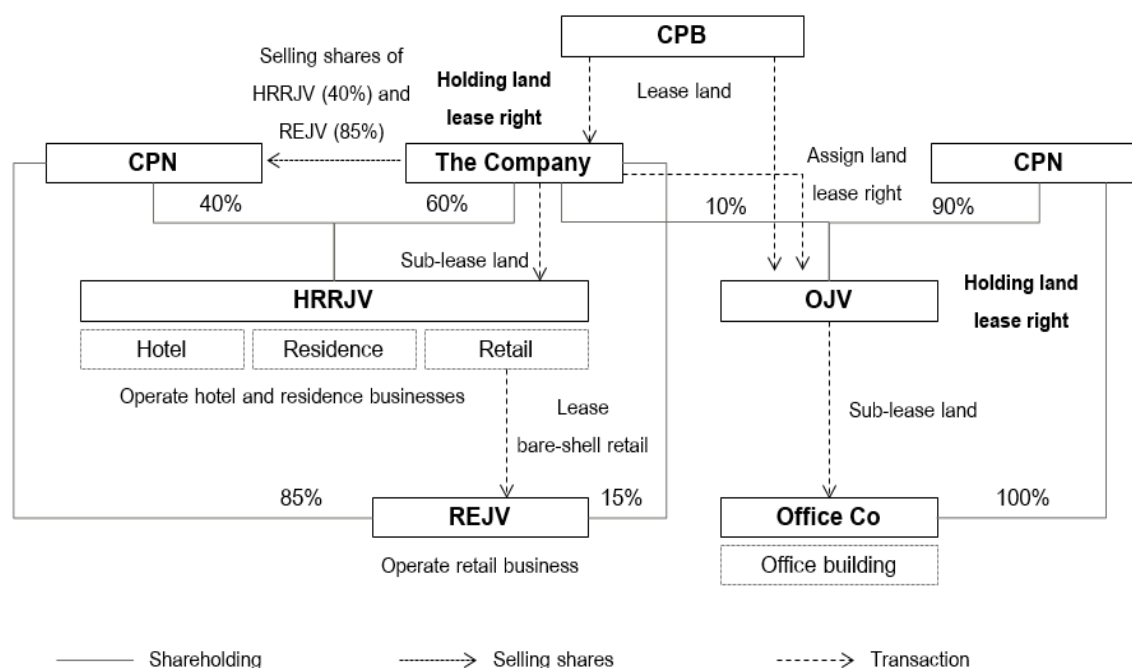
## **Part 1 : Executive Summary**

On 28 February 2017, the Board of Directors' Meeting of the Company No. 2/2017 resolved to propose to a meeting of shareholders to consider and approve the Company's joint investment in a mixed-use property development project (the "Mixed-Use Project") which will consist of a hotel, residence, retail shopping center and office building on the 23-2-2.72 rais of land at the intersection of Silom Road and Rama IV Road with the the total investment value not exceeding Baht 36,700 Million.

On 22 December 2016, the Company signed a land lease agreement with the CPB with a term of 30 years. When the land lease period ends, the Company will have the right to extend the term for another 30 years. The lease commencement date will begin as from 1 July 2024. In order to comply with the terms and conditions of the new land lease agreement with CPB, the Company shall waive its right to lease the land as per the existing land lease agreement, which will expire on 31 March 2018 as well as the right to extend the land lease agreement for another 15 years in order for the new land lease agreement to become effective. However, Dusit Thani Hotel Bangkok will be entitled to operate on the current location until 1 July 2018. And after the company stop the operation, Dusit Bangkok's operation hotel; the company and Central Pattana Public Company ("CPN") or joint partner will commence the Mixed-Use Project.

When Dusit Thani Hotel Bangkok ceases its operations, the Company and CPN, as a co-investor, will commence the development of the Mixed-Use project which is, according to the land lease agreement made between the Company and CPB, entitled to a 7-year grace period as from 1 July 2017. However, in a case where the Company has completed any part of the project earlier and wishes to begin commercial operations, the Company shall pay the lease fee as deemed appropriate by CPB in accordance with current circumstances at the time. According to the projection, part of the Mixed-Use project are completed earlier. The Company expected to pay land rental at the same rate of rental rate in the Land Lease Agreement between CPB and DTC, which is less than the revenue generated from such early commercial operations which results in more profit generated.

The acquisition and disposition of the assets can be divided into 3 major transactions as follows:



1. Investment in the mixed-use property development project consisting of Hotel, Residence and Bare shell of Retail Shopping Center through HRRJV (“Investment in HRRJV”). DTC and CPN will jointly invest in HRRJV in the proportion of 60:40. Followings are the details of transaction.
  - 1.1 DTC has entered into 30-year Land Lease Agreement for the land area of 23-2-2.72 rais with CPB, with the right to extend for another period of 30 years under the same terms and conditions (60 years in total). However, the Company will only lease the land area of approximately 21 rais and will transfer the lease right of land area approximately 2 rais 2 ngan to OJV. (refer to details of Investment in OJV) (“Land Lease Transaction between CPB and DTC”)
  - 1.2 DTC will enter into 30-year Land Sublease Agreement for the land area approximately 21 rais with HRRJV, with the right to extend for another period of 30 years under the same terms and conditions (Totaling 60 years). HRRJV will further develop a mixed-use project consisting of Hotel, Residence, Bare shell of Retail Shopping Center. (“Land Sublease Transaction between DTC and HRRJV”)
  - 1.3 DTC and CPN will jointly invest in HRRJV to develop a mixed-use project consisting of Hotel, Residence, Bare shell of Retail Shopping Center. (“Joint Investment in HRRJV”).
  - 1.4 HRRJV will enter into the Building Lease Agreeemnt to lease the Bare shell of Retail Shopping Center to REJV with a term of 30 years and the right to extend for another period of 30 years (totaling 60 years). REJV will further develop Retail Shopping Center. (“Bare shell Building Lease between HRRJV and REJV”)
  - 1.5 DTC will gradually sell its stake in HRRJV upto 40 % to CPN. The total consideration from the disposition of 40% stake to CPN will be approximately Baht 165 Million<sup>1</sup>.



2. Investment in Retail Shopping Center through REJV ("Investment in REJV"), a joint venture between DTC and CPN in a portion of 15:85. Followings are the details of transaction.
  - 2.1 REJV will enter into the Building Lease Agreement to lease the Bare shell of Retail Shopping Center from HRRJV with a term of 30 years and the right to extend for another period of 30 years (totaling 60 years). REJV will further develop the interior design, management and further sub-lease to retail tenants.
  - 2.2 DTC and CPN will jointly invest in REJV to develop Retail Shopping Center ("Joint Investment in REJV")
  - 2.3 DTC will gradually sell its stake upto 85% to CPN. The total consideration from the disposition of 85% stake to CPN will be approximately Baht 667 Million<sup>1</sup>.

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<sup>1</sup> The consideration from each selling share transaction may vary depends on investment or project value.

3. Investment in OJV with an aim to hold the land lease right for Project Office, then sub-lease the land to OfficeCo to develop and construct Office Building ("Investment in OJV"). DTC and CPN will jointly invest in OJV in the proportion of 10:90. Followings are the details of transaction.
  - 3.1 DTC will enter into the 30-year Lease Right Assignment Agreement in order to transfer lease right of land area approximately 2 rais 2 ngan to OJV. OJV is entitled to the right to extend for another period of 29 years 6 months (totaling 59 years 6 months). After ending of such lease assignment period, the lease right will be returned to DTC for the period of 6 months. ("Land Lease Right Assignment to OJV").
  - 3.2 OJV will directly enter into the 30- year Land Lease Agreement for the land area approximately 2 rais 2 ngan with CPB, with the right to extend for another period of 29 years 6 months (totaling 59 years 6 months) ("Land Lease Transaction between CPB and OJV")
  - 3.3 OJV will enter into 30- year Land Sublease Agreement for the land area approximately of 2 rais 2 ngan with OfficeCo. OfficeCo is entitled to the right to extend for another period of 29 years 6 months (totaling 59 years 6 months). OfficeCo will further develop and construct Office Building ("Land Sublease Transaction between OJV and OfficeCo")

This transaction is deemed as a disposition of assets of the Company pursuant to the Section 107 (2) (a) of the Public Companies Act B.E. 2535 (as amended). Therefore, DTC shall convene a shareholders meeting to approve the decision to enter into the transactions which shall require at least  $\frac{3}{4}$  of the total votes of the shareholders attending the meeting and have the right to vote, excluding interested shareholders' equity.

Entering into transaction of HRRJV and REJV is considered a Class 4 Transaction in accordance with the Notification on Acquisition or Disposition of Assets. However, since those acquisition transactions meet all requirements of exemption as per Clause 24. The Stock Exchange of Thailand may not treat them as a new listing application as per the details in the section 3.4. Therefore, the Company shall report disclosing the acquisition of assets to the Stock Exchange and shall appoint Independent Financial Advisor to give opinions

related to the entering into the transaction. The Company shall also convene a shareholders meeting to approve the decision to enter into the transactions which shall require at least  $\frac{3}{4}$  of the total votes of the shareholders attending the meeting and have the right to vote, excluding interested shareholders' equity.

OJV investment transaction is deemed the disposition of assets, Class 2 transaction in accordance with the Notification on Acquisition or Disposition of Assets. The Company shall immediately report disclosing the transaction to the Stock Exchange and shall inform the shareholders within 21 days as from the day the transaction information is disclosed to the Stock Exchange. Nevertheless, since this transaction of disposition of assets is part of the mixed-use property development project, the Company will propose this transaction to the shareholders for approval together with the transaction of acquisition of assets as mentioned above.

With the aforementioned conditions, the Company appointed Silom Advisory Co., Ltd. as independent financial advisor to give opinion to the shareholders about the transactions of acquisition and disposition.

After the careful studies of relevant information—conditions of entering into the transaction, advantages and disadvantages of entering into the transaction, associated risks, advantages and disadvantages of not entering into the transaction, appropriateness of the acquisition and disposition of the assets, for instance, the IFA's opinions can be summarized as follows:

#### **Advantages of Entering into the Transaction**

##### **1 The acquisition and disposition of the assets will enhance the Company's values added.**

After the acquisition and disposition of the assets, the Company's Net Present Value is forecasted, by the IFA to be Baht 789.74 Million, of which Baht 611.14 Million is from the investment in HRRJV, Baht 84.33 Million is from the investment in REJV, and Baht 94.27 Million is from the investment in OJV.

##### **2 The mixed-use project will generate cashflow to be utilized as a source of fund for new projects.**

Entering into the transaction, the Company and its joint venture companies will receive cashflow from the investors. In addition, due to the fact that the new development project will be composed of different types of real estate—hotel, residence, retail shopping mall and office building, it enables the joint venture companies to utilize cashflow from a given real estate as a source of fund for other projects. To cite an example, HRRJV is able to utilize cashflow earned at the early stage of selling of the residence units and leasing bare shell of retail shopping center for other investments. Therefore, the joint venture companies shall be less financially dependent on the Company's source of fund.

##### **3 The mixed-use project will enhance the Company's know-how necessary to develop and manage future mixed-use real estates.**

Engaging in this mixed-use investment project will allow the Company's to acquire new know-how and, therefore, leverage its competitiveness in other types of real estate, in addition to the sole expertise in hotel industry. Having CPN as a co-investor—who is one of Thailand's experienced and well-known real estate developers for retail shopping malls and office buildings such as Central Plaza Ladprao, Central Plaza Pinklao, Central Plaza Bangna, and Central World (The Offices at Central World)—will enable the Company to learn how

CPN develops and manages its real estates. Eventually, the Company will be able to apply such attained know-how to develop future investment projects.

**4 The 60-year land lease right will allow the Company to generate cashflow from its operations continuously.**

In entering into the transaction, the Company was granted the right to lease the land for the next 30 years and the right to extend the lease agreement for another 30 years (60 years in total). The new lease commencement date begins as from 1 July 2024. Whereas, the existing land lease agreement will expire on 31 March 2018 and the Company is entitled to extend the lease agreement for another 15 years.

**5 The mixed-use project will help diversify the company's investment risks.**

Entering into the transaction, the Company can diversify its investment risks which are caused by the fact that the major revenue stream of the Company comes from hotel business. As of 31 December 2016, the company's revenue streams are derived from 4 businesses: 1) hotel business accounting for 82.46 percent of the Company's total revenue, 2) hotel management service accounting for 2.72 percent of the Company's total business, 3) office building accounting for 1.43 percent of the Company's total revenue and 4) education business accounting for 8.15 percent of the Company's total revenue. Other businesses also generate 5.24 percent of the Company's total revenue. This project will enhance the Company's revenue from the retail shopping mall and residence.

**6. The Company will earn additional revenue from management fee**

In execution of this transaction, the Company will earn revenue from Base Management Fee, Incentive Management Fee, Royalty Fee, and Building Demolition and Land Preparation Fee in addition to direct revenue earned from the investment of the Mixed-Use project.

**Disadvantages of Entering into the Transaction**

**1. Financial burden incurred from the project investment**

To enter into the transaction, the Company will seek for its funding from financial institutions especially in an early stage of the project development, which requires additional financial capitals either in form of capital injection and shareholder loan.

**2. The mixed-use project has a time limit at 60 years.**

Entering into the transaction, the Company was granted the initial 30-year land lease right and the right to extend the lease agreement for another 30 years (60 years in total). The lease commencement date begins on 1 July 2024. Once the lease agreement completes its 60 years, the Company has to renegotiate for the land lease right or search for a new piece of land to develop a new project to ensure non-disruptive revenue generation in the future.

**3. Revenue drop from ceasing operation of Dusit Thani Bangkok Hotel**

To enter into the transactions, Dusit Thani Bangkok Hotel (DTBK) must cease its operations for approximately 7 years for the constructions. As a result, the Company will lose the revenue generated by DTBK

during the said period. Currently, DTBK's revenue contribution is approximately Baht 900 Million or accounts for 16.67 percent of the Company's total revenue. Despite having such hiatus, the Company will earn some of its revenue from the investment of the mix-used project and other projects under development. Therefore, the Company sees no detrimental effect from the cease of the hotel's operations.

## **Risks of Entering into the Transaction**

### **1. Risk from the Delay of Residence Sales**

As HRRJV will utilize the cashflow earned by the sale of the residence to funding other projects, if there is a delay in selling the residence, HRRJV may experience the shortage of cashflow. However, a sensitivity analysis was conducted by the IFA under the scenario that the sale schedule is adjusted from 6 years to 7 years, the forecasted cashflow is still sufficient and HRRJV is able to find the source of funds without requiring additional cashflow from the Company.

### **2. Risk from Construction Delay**

This project is exposed to the risk of construction delay which can be caused by several factors—project not meeting Environmental Impact Assessment (EIA) requirements, construction cost exceeding the estimated one or delay in the commencement of the project, for instance. The actual return of investment may be significantly different from that of the study.

IFA has analysed the impact from delay in construction in order to consider the change in transaction value as follows:

Delay in Construction (month)	Investment Transactions			Total
	HRRJV	REJV	OJV	
-	611.14	84.33	94.27	<b>789.74</b>
<b>6 months</b>	552.41	69.58	94.27	<b>716.26</b>
<b>12 months</b>	500.35	57.51	94.27	<b>652.12</b>

### **3. Risk from Not Having OfficeCo Share Purchase Agreement**

According to the document reviews in relation to the transaction such as the OJV Shareholder Agreement, it was found that there is a sub-lease agreement of land between OJV and OfficeCo. In addition, the OJV Shareholder Agreement also stipulates that the Company plans to transfer part of its lease right to OJV and OJV will sub-lease the land lease right to OfficeCo for the development of office building project. However, from our document reviews, there is no OfficeCo Share Purchase Agreement. The Company's management explained that OfficeCo Share Purchase Agreement has not been signed as the Company and CPN may consider changing their juristic person to develop the office building project.

Without the OfficeCo Share Purchase Agreement, the Company may need to invest 25 percent in OfficeCo. As a result, the Company will need to seek for additional source of funds for the development of the project.

Nevertheless, according to the interviews with the Company's management, the Company has no intention to invest in the Office project. Both parties have negotiated and agreed that CPN shall be the sole constructor

and developer. Both parties shall, also, ensure that the remaining shares, as stipulated in the drafted Share Purchase Agreement, will be sold and purchased. However, in a case where the Office project raises its fund while the Company still holds 25% of the share, the Company shall not be required to additionally invest in the Office project.

The IFA views that as the OJV Shareholder Agreement has already been signed, the Company should also sign the OfficeCo Share Purchase Agreement; or if the Company wishes to change its juristic person, the Shareholder Agreement should, also, be amended accordingly. This is to avoid possible dispute or risks that may occur. However, according to the further review on relevant documents, it is found that the OfficeCo Share Purchase Agreement has been drafted and awaits to be signed.

#### **Advantages of Not Entering into the Transaction**

**1. The Company does not need to find sources of funds for the transaction.**

Provided that the Company does not engage in the acquisition and disposition of the assets, the Company will not be obliged to utilize its loan facilities from financial institutions for funding the project. Consequently, the Company will have more working capital and can reserve its loan eligibility with financial institution to be used for other projects that may be less risky with equal or more returns.

**2. The Company will have no risk from operating the new business with limited experience**

If the Company decides not to enter into this acquisition and disposition of the assets, the Company's revenue structure will remain the same—having hotel business as its main source of revenue which accounts for 82.46 percent of the Company's total revenue. The company shall not be exposed to the risk inherited from operating the residence and retail shopping mall.

#### **Disadvantages of Not Entering into the Transaction**

**1. The Company will lose an opportunity to invest in the development of mixed-use real estate**

The Company will lose its opportunity to invest in the mixed-use project which can create more values to the shareholders. The Net Present Value is Baht 789.74 Million. This investment will also help the Company in mitigating risks from relying on hotel business.

**2. The Company will have to spend more time in considering other projects**

Due to the fact that the Company's existing land lease right will expire on 31 March 2018 and the Company is entitled to extend the land lease agreement for another 15 years, not entering into the acquisition and disposition of the asset transaction will result in the Company having to negotiate with CPB to extend its right to lease the land for another 15 years.

However, as the existing hotel buildings as well as office building are aging, it would require a big investment to make them look brand-new; whereas, the extended lease agreement is limited to 15 years only. Therefore, the Company may receive lower-than-expected returns. Besides, searching for a new replacement project that is in accordance with the Company's investment policy may take time and operating costs, not to mention associated risks that may be the same or higher than that of the transaction.

### **Summary of the Opinions by the Independent Financial Advisor**

The IFA forecasted the cashflow estimation after entering into the transaction of the acquisition and disposition of the assets to be of Baht 789.74 Million (Net Present Value), of which Baht 611.14 Million is from the investment in HRRJV, Baht 84.33 Million is from the investment in REJV, and Baht 94.27 Million is from the investment in OJV.

Having considered the reasons given above, the IFA has an opinion that the transaction is **appropriate**. Therefore, **the IFA recommends the shareholders to approve the transaction.**

However, in making their decisions, the shareholders should consider the appropriateness of the transaction and the IFA's opinion which is based on the information given by the Company as well as interviews with the Company's management and other relevant parties. The IFA assumes that all information received is truthful and correct. The shareholders should also take into account the terms and conditions of the transaction. The IFA deemed the assumption employed in considering the transaction appropriate. Nevertheless, such assumption is based upon current economic conditions and available information only. Significant changes in the future may affect the opinion of the IFA. However, the decision to cast a vote approving the entering into transaction shall be subjected to the shareholders' discretion.

## **Section 2 : Practice and Information Used in the Preparation of IFA Report**

The IFA considers and studies the information relating to the Assets Acquisition and Disposition Transaction based on the information provided by the Company, management interview, and public information including but not limited to:

1. DTC's Board of Directors resolutions, information memorandum disclosed via the SET regarding the Acquisition and Disposition of the Assets.
2. Company's corporate document e.g. affidavit, memorandum of association, article of association, and list of shareholders etc.
3. Contracts and agreements related to the Acquisition and Disposition of the Assets.
4. Interviewing the Company's management and person relating to the Acquisition and Disposition of the Assets.
5. Assets appraisal report.
6. SET's statistic data and industry circumstance.

The IFA's opinion is based on the assumption that information and/or documents as well as interviews with the Company's management and person relating to the Acquisition and Disposition of the Assets are true and correct in which the IFA considers and studies the information with the prudence and reasonableness according to professional conduct. In addition, the IFA assumes that all of the business contracts and agreements is enforceable and legal binding, and the condition is not changed, revoked, canceled, and there is no incident or condition which may significant affect the Acquisition and Disposition of Assets.

As such, If the information and/or documents which the IFA receives is not true and/or incorrect, and the business contracts and agreements is not enforceable and/or legal binding, and/or the condition is changed, revoked, canceled, and/or there is incident or condition which may significant affect the Acquisition and Disposition of the Assets, it may affect the IFA opinion in which the IFA is not be able to give the opinion regarding the effect to the Company and the Company's shareholders.

The IFA's opinion is prepared based on the information which the IFA receives and the industry, economic, and other external conditions that arise during the preparation period. Those factors may be significant changed thereafter and may affect the IFA's opinion in which the IFA has no obligation to revise the opinion stated herein.

The IFA Report is prepared for the purpose of providing the sufficient information to the Company's shareholders in order to make the decision regarding the Acquisition and Disposition of the Assets resolution. The decision to approve or disapprove depends on the Company's shareholders discretion. The Company's shareholders should study information and documents attached in the shareholders' meeting invitation letter with prudence and carefulness before making the decision so that the Company's shareholders could make the appropriate decision. This IFA Report does not guarantee the successfulness of the transactions or any effect which may occur and the IFA has no obligation on any effects which directly or indirectly arise from the Acquisition and Disposition of the Assets.

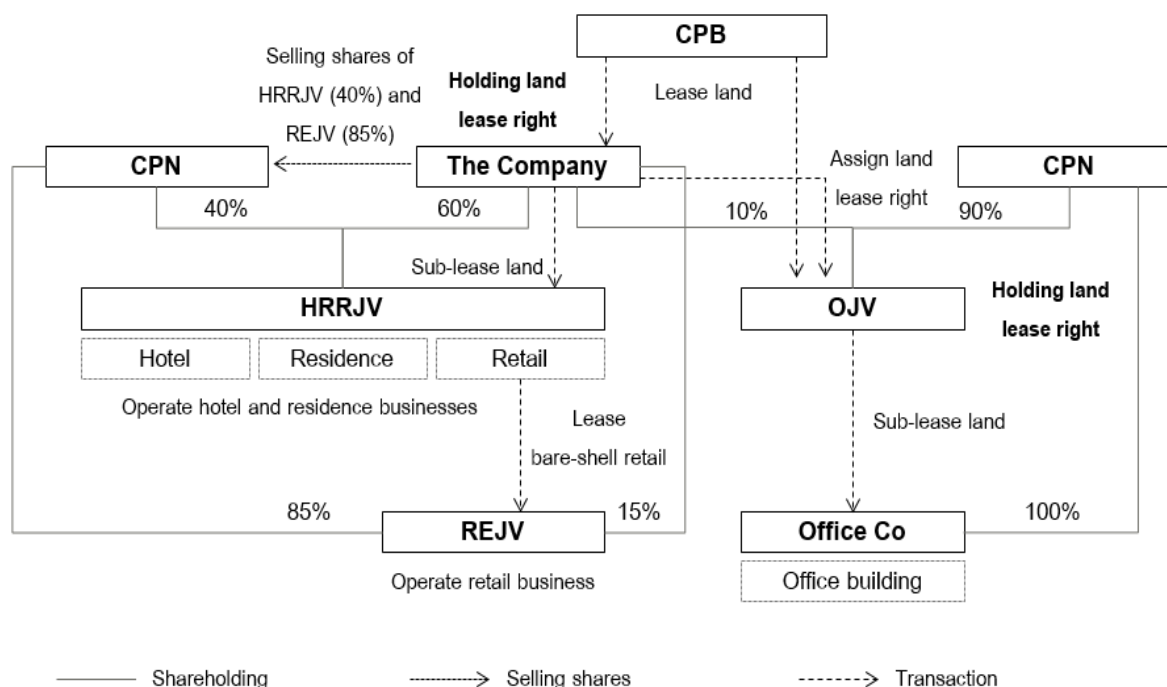
### Section 3 : General Characteristics and Details of the Transactions

#### 3.1 General Characteristics of the Transactions

The Board of Directors' Meeting of Dusit Thani Public Company Limited No. 2/2017 held on 28 February 2017 passed a resolution approving the joint investment in a mixed-use property development project which will consist of a hotel, residence, retail shopping center and office building located on 23-2-2.72 rais of land at the intersection of Silom Road and Rama IV Road. The total investment value will not exceed Baht 36,700 Million.

On 22 December 2016, Company has entered into 30-year Land Lease Agreement for the land area of 23-2-2.72 rais with CPB, with the right to extend for another period of 30 years under the same terms and conditions commencing from 1 July 2024 (Totaling 60 years, excluding the construction period of 7 years commencing from 1 July 2017). According to the Land Lease Agreement, within 1 July 2017, the Company will waive its right to lease the land as per the existing land lease agreement, which will expire on March 2018 as well as the right to extend the land lease agreement for another 15 years in order for the new land lease agreement to become effective. However, Dusit Thani Hotel Bangkok will be entitled to operate, free of charge, on the current location until 2018.

After Dusit Thani Hotel Bangkok cease its operation, DTC and CPN will start developing the Mixed-Use project. According to the Land Lease Agreement, DTC will be entitled to a grace / construction period of 7 years commencing from 1 July 2017. However, the Company shall pay the agreed rental in case of starting the commercial operation date prior to the end of such grace / construction period.





The Acquisition and Disposition of Assets involving 3 main transactions as follows;

1. Investment in the mixed-use property development project consisting of Hotel, Residence and Bare shell of Retail Shopping Center through HRRJV ("Investment in HRRJV"). DTC and CPN will jointly invest in HRRJV in the proportion of 60:40. Followings are the details of transaction.
  - 1.1 DTC has entered into 30-year Land Lease Agreement for the land area of 23-2-2.72 rais with CPB, with the right to extend for another period of 30 years under the same terms and conditions (Totaling 60 years, excluding the construction period of 7 years commencing from 1 July 2017), in which there are 2 parts : (1) land area approximately 21 rais and (2) land area approximately 2 rais 2 ngan. DTC will transfer the lease right of land area approximately 2 rais 2 ngan to OJV (refer to details of Investment in OJV) ("Land Lease Transaction between CPB and DTC")
  - 1.2 DTC will enter into 30-year Land Sublease Agreement for the land area approximately 21 rais with HRRJV, with the right to extend for another period of 30 years under the same terms and conditions (Totaling 60 years). HRRJV will further develop a mixed-use project consisting of Hotel, Residence, Bare shell of Retail Shopping Center ("Land Sublease Transaction between DTC and HRRJV")
  - 1.3 DTC and CPN will jointly invest in HRRJV to develop a mixed-use project consisting of Hotel, Residence, Bare shell of Retail Shopping Center ("Joint Investment in HRRJV")
  - 1.4 HRRJV will enter into the Building Lease Agreement to lease the Bare shell of Retail Shopping Center to REJV with a term of 30 years and the right to extend for another period of 30 years (totaling 60 years). REJV will further develop Retail Shopping Center. ("Bare shell Building Lease between HRRJV and REJV")
  - 1.5 DTC will gradually sell its stake in HRRJV upto 40% to CPN. The total consideration from the disposition of 40% stake to CPN will be approximately Baht 165 million<sup>1</sup>.
2. Investment in Retail Shopping Center through REJV ("Investment in REJV"), a joint venture between DTC and CPN in a portion of 15:85. Followings are the details of transaction.
  - 2.1 REJV will enter into the Building Lease Agreement to lease the Bare shell of Retail Shopping Center from HRRJV with a term of 30 years and the right to extend for another period of 30 years (totaling 60 years). REJV will develop the interior design, management and further sub- lease to retail tenants.
  - 2.2 DTC and CPN will jointly invest in REJV to develop Retail Shopping Center ("Joint Investment in REJV")
  - 2.3 The Company will gradually sell its stake upto 85% to CPN. The total consideration from the disposition of 15% stake to CPN will be approximately Baht 667 million<sup>1</sup>.

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<sup>1</sup> The consideration from each selling share transaction may vary depends on investment or project value.

3. Investment in OJV with an aim to hold the land lease right for Project Office, then sub-lease the land to OfficeCo to develop and construct Office Building ("Investment in OJV"). DTC and CPN will jointly invest in OJV in the proportion of 10:90. Followings are the details of transaction.
  - 3.1 DTC will enter into the 30-year Lease Right Assignment Agreement in order to transfer lease right of land area approximately 2 rais 2 ngan to OJV. OJV entitles to the right to extend for another period of 29 years 6 months (totaling 59 years 6 months). After ending of such lease assignment period, the lease right will be returned to DTC for the period of 6 months. ("Land Lease Right Assignment to OJV").
  - 3.2 OJV will directly enter into the 30-year Land Lease Agreement for the land area approximately 2 rais 2 ngan with CPB, with the right to extend for another period of 29 years 6 months (totaling 59 years 6 months) ("Land Lease Transaction between CPB and OJV")
  - 3.3 OJV will enter into 30-year Land Sublease Agreement for the land area approximately of 2 rais 2 ngan with OfficeCo. OfficeCo entitles to the right to extend for another period of 29 years 6 months (totaling 59 years 6 months). OfficeCo will further develop and construct Office Building ("Land Sublease Transaction between OJV and OfficeCo")

### **Transaction Process of the Investment in HRRJV**

Details of Investment in HRRJV transactions:

1. On 23 August 2016, DTC established HRRJV with registered capital Baht 100,000, par value Baht 100 per share. DTC holds 100% stake.

2. On 31 August 2016, DTC and HRRJV signed the Memorandum of Understanding in which HRRJV intends to lease Bare shell of Retail Shopping Center to DTC or a person designated by DTC under the agreed terms and conditions.

In the same day, DTC and REJV entered in to the Building Lease Arrangement Agreement in order to arrange for the transfer of right to lease Bare shell of Retail Shopping Center to REJV for the purposes of developing and managing Retail Shopping Center under the agree terms and conditions.

3. On 22 December 2016, Company has entered into into 30-year Land Lease Agreement for the land area of 23-2-2.72 rais with CPB, with the right to extend for another period of 30 years under the same terms and conditions commencing from 1 July 2024 (Totaling 60 years, excluding the construction period of 7 years commencing from 1 July 2017). According to the Land Lease Agreement, within 1 July 2017, the Company will waive its right to lease the land as per the existing land lease agreement, which will expire on March 2018 as well as the right to extend the land lease agreement for another 15 years in order for the new land lease agreement to become effective. However, Dusit Thani Hotel Bangkok will be entitled to operate, free of charge, on the current location until 2018.

The land is divided into 2 parts: (1) land area approximately 21 rais and (2) land area approximately 2 rais 2 ngan. DTC will transfer the lease right of land area approximately 2 rais 2 ngan to OJV. The rental of land area approximately 21 rais will be paid as follows:

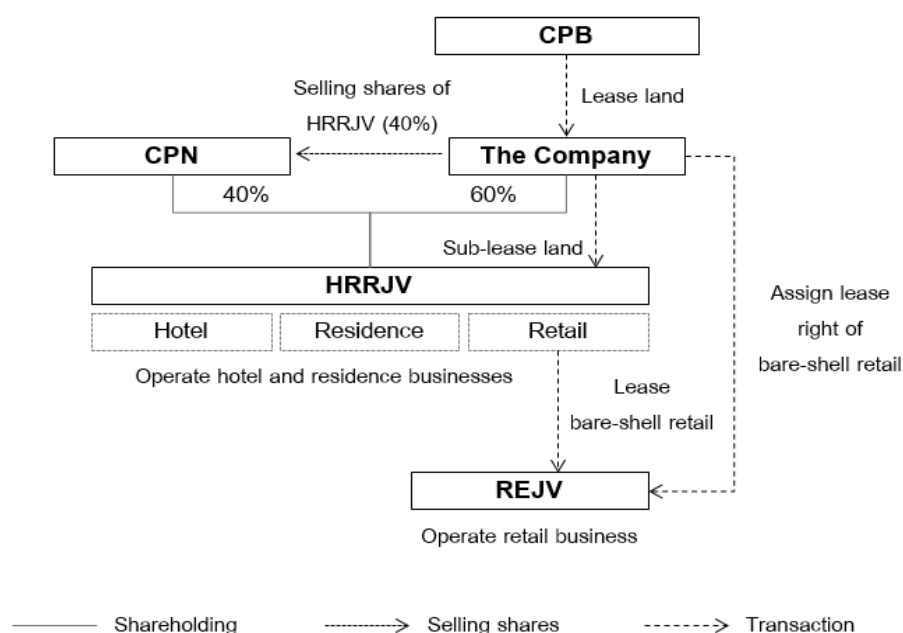
- The advance payment of approx. Baht 947.32 Million is payable within 5 July 2017; and
- The rest payment of approx. Baht 3,789 Million (present value) is payable over 60 years with 6% p.a. interest rate. The first payment will be within 5 July 2024 and the payment of the following years will be on the same date.

4. DTC will enter into 30-year Land Sublease Agreement for the land area approximately 21 rais with HRRJV, with the right to extend for another period of 30 years (Totaling 60 years).

5. HRRJV will develop a Mixed-Use project consisting of Hotel, Residence, Bare shell of Retail Shopping Center.

6. During 2017-2018, DTC will gradually sell 40% stake of HRRJV at the price on the selling date of approximately 165 million Baht. Finally, the shareholdings in HRRJV between DTC and CPN will be 60:40. The total consideration from the disposition of 40% stake to CPN will be approximately 165 million Baht.

### Summary of the Transaction Process of the Investment in HRRJV



### Summary of the keys milestones

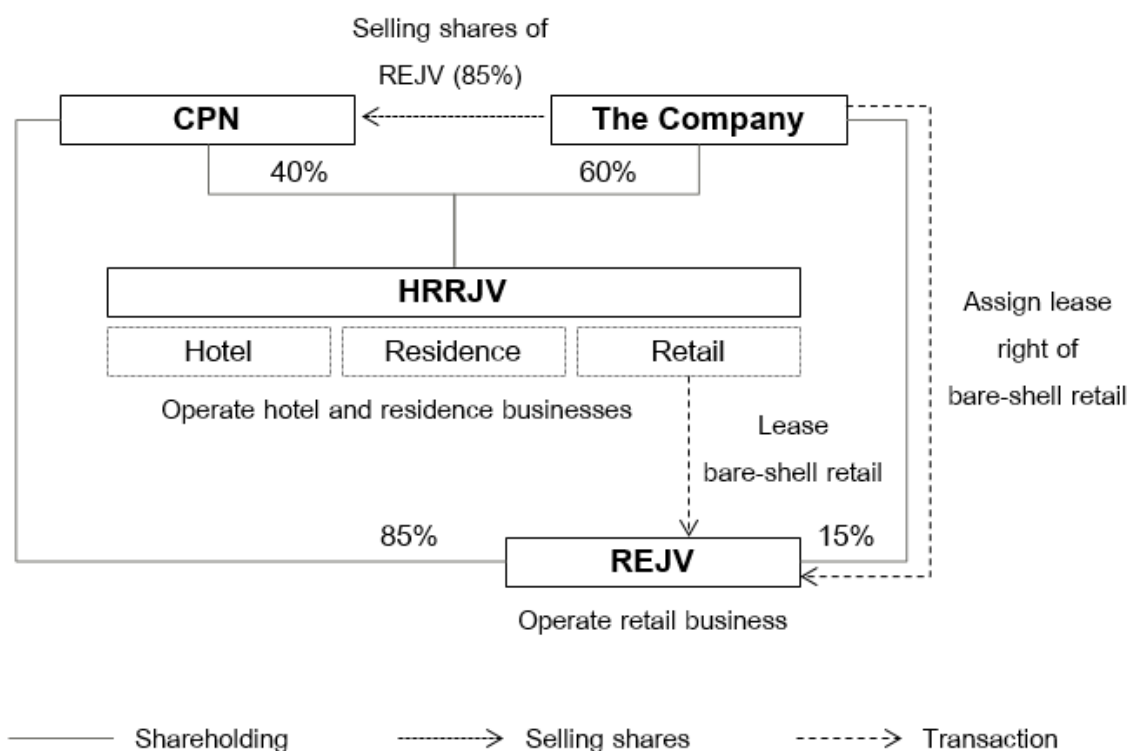
Milestones	Period
DTC established HRRJV and held 100% stakes	23 August 2016
DTC, CPN and HRRJV entered into Shareholder's Agreement in relation to HRRJV	31 August 2016
DTC and CPN entered into Share Purchase Agreement in relation to HRRJV	31 August 2016
DTC and HRRJV signed the Memorandum of Understanding to lease Bare shell of Retail Shopping Center	31 August 2016
DTC and REJV entered in to the Building Lease Arrangement Agreement	31 August 2016
DTC entered into Land Lease Agreement with CPB	22 December 2016
DTC sells 40% of HRRJV share to CPN	2017-2018
DTC pays the advance payment to CPB	July 2017
HRRJV pays the advance rental payment to DTC	July 2017
Dusit Thani Hotel Bangkok ceases its commercial operation	1 July 2018
HRRJV commences developing Mixed-Use project consisting of Hotel, Residence, Bare shell of Retail Shopping Center	July 2018
DTC transfers its right to lease Bare shell of Retail Shopping Center to REJV	January 2020
Commence of land lease period between DTC and CPB	1 July 2024
DTC pays annual rental to CPB	2024 - 2084
HRRJV pays annual rental to DTC	2024 - 2084
Expiring date of Land Lease Agreement	30 June 2084

### Transaction Process of the Investment in REJV

Details of Investment in REJV transactions:

1. On 23 August 2016, DTC established REJV with registered capital Baht 100,000, par value Baht 100 per share. DTC holds 100% stake.
2. On 31 August 2016, DTC, HRRJV and REJV entered in to the Memorandum of Understanding and Building Lease Arrangement Agreement in order to arrange for the transfer of right to lease Bare shell of Retail Shopping Center to REJV under the agreed terms and conditions.
3. REJV will develop Retail Shopping Center.
4. DTC will gradually sell its 85% stake to CPN. Finally, the shareholdings in REJV between the Company and CPN will be 15:85. The total consideration from the disposition of 85% stake to CPN will be approximately Baht 667 Million<sup>1</sup>, according to the terms and conditions of Share Purchase Agreement relating to REJV dated 31 August 2016.

### Summary of the Transaction Process of the Investment in REJV



<sup>1</sup> The consideration from each selling share transaction may vary depends on investment or project value.

Summary of the keys milestones

<b>Milestones</b>	<b>Period</b>
DTC established REJV and hold 100% stake	23 August 2016
DTC, CPN and REJV entered into Shareholder's Agreement in relation to REJV	31 August 2016
DTC and CPN entered into Share Purchase Agreement relating to REJV	31 August 2016
DTC and REJV entered in to the Building Lease Arrangement Agreement	31 August 2016
DTC gradually sells 85% of REJV share to CPN	2017 -2021
REJV commences further developing Retail Shopping Center	Around 2021
Expring date of Building Lease Agreement	30 June 2084

## **Transaction Process of the Investment in OJV**

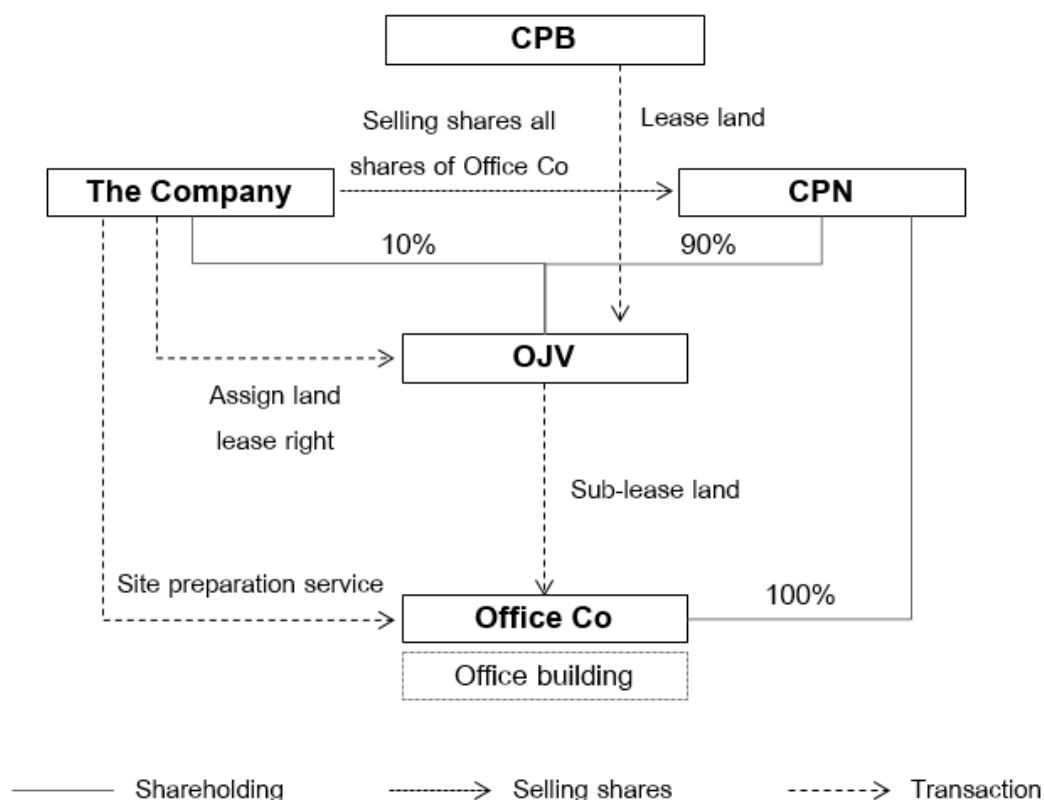
### Details of Investment in OJV transactions

1. on 5 October 2016, DTC established OJV with registered capital Baht 100,000, par value Baht 100 per share. DTC hold 100% stake.
2. on 26 December 2016, DTC established OfficeCo with registered capital Baht 100,000, par value Baht 100 per share. DTC hold 100% stake.
3. on 10 March 2016, entered into the 30-year Lease Right Assignment Agreement in order to transfer lease right of land area approximately 2 rais 2 ngan to OJV. OJV entitles to the right to extend for another period of 29 years 6 months (totaling 59 years 6 months). After ending of such lease assignment period, the lease right will be returned to DTC for the period of 6 months. On 26 June 2017, OJV will pay the lease assignment fee Baht 100 Million to DTC.
4. On the Closing Date which expected to be in July 2017, OJV will enter into the transactions as follows;
  - 4.1 Capital increase in OJV
    - CPN will inject capital in OJV. Finally, the shareholdings in OJV between DTC and CPN will be 10:90.
  - 4.2 Capital increase in OfficeCo
    - CPN will inject capital into OfficeCo. Finally, the shareholdings in OfficeCo between DTC and CPN will be 25:75.
  - 4.3 OJV will directly enter into the 30-year Land Lease Agreement for the land area approximately 2 rais 2 ngan with CPB, with the right to extend for another period of 29 years 6 months (totaling 59 years 6 months) The rental of land area approximately 2 rais 2 ngan will be paid as follows;
    - The advance payment of approx. Baht 519.51 Million
    - The rest of Baht 2,078 Million (present value), will be paid annually for 60 years, with interest rate 6% p.a.
  - 4.4 OJV will enter into 30-year Land Sublease Agreement for the land area approximately of 2 rais 2 ngan with OfficeCo. OfficeCo is entitled to the right to extend for another period of 29 years 6 months (totaling 59 years 6 months). The rental will be paid as follows;
    - The advance payment of approx. Baht 519.51 Million
    - The rest of Baht 2,078 Million (present value), will be paid annually for 60 years, with 6% p.a. interest rate.
    - The above rental payment will be back to back with the rental payment in Land Lease Agreement between OJV and CPB.
    - However, based on the interviews with the Company's management and the assigned legal consultant, the land lease right for the last 6 months (after having completed 59 years and 6 months of land lease period) shall be returned to the Company as the Company is the one who signed the head lease agreement with CPB for 60 years. Nevertheless, according to the Lease Right Assignment Agreement, the Company

shall transfer its land lease right to OJV for the period of 30+29.5 to develop the Office Project for 30+29.5 years and the OJV shall return the land lease right for the last 6 months to the Company so that the Company shall return the 23.5 rai of land to CPB eventually.

5. According to the management interview, DTC will sell all of its stake in OfficeCo to CPN.

#### Summary of the Transaction Process of the Investment in OJV



#### Summary of the keys milestones

Milestones	Period
DTC established OJV and hold 100% stake.	5 October 2016
DTC established OfficeCo and hold 100% stake.	26 December 2016
DTC, CPN, OJV and OfficeCo enter into Shareholder's Agreement in relation to OJV	10 March 2017
DTC and OJV enter into Land Lease Assignment Agreement.	10 March 2017
CPN injects capital in OJV THB 900,000.	July 2017
CPN injects capital in OfficeCo THB 300,000	July 2017
OJV enters into Land Lease Agreement with CPB	July 2017
OJV enters into Land Lease Agreement with OfficeCo	July 2017



Selling of HRRJV, REJV and OJV shares are considered disposition of assets transaction which falls under “the rule of Section 107 (2) (b) of Public Limited Companies Act” requiring votes of not less than three-fourths of the total number of shareholders attending the meeting and having the right to vote.

Investment in HRRJV and REJV transactions are considered acquisition of the assets transactions class 4 in accordance with the Notification on Acquisition or Disposition of Assets.

However, the acquisition transactions meet all requirement as per Clause 24 under 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 and Disposition of Assets B.E. 2004. The Company, therefore, report such transactions to the Securities and Exchange without delay, and is required to appoint an independent financial advisor to evaluate the transactions and provide an independent report. The Company shall, also, convene a shareholder meeting to seek for the approval to enter into the transactions which shall require at least  $\frac{3}{4}$  of the total votes of the shareholders attending the meeting and have the right to vote, excluding interested shareholders' equity.

The transactions of investment in OJV is considered Class 2 transaction in accordance with the Notification on Acquisition or Disposition of Assets. The Company shall, therefore, disclose the transaction to SET and submit the information to shareholders within 21 days as from the day the transaction is disclosed. However, as such disposition transactions are part of the whole project, the Company will propose to the shareholder's meeting at the same time of acquisition of assets transactions.

The Company, therefore, appointed the IFA to evaluate the transactions and provide opinions to report to the shareholders.

### **3.2 Date of Transactions**

DTC plans to develop and construct the mixed-use project by July 2017 after obtaining the approval from the 2017 Annual General Meeting of Shareholders. The Company anticipates that the project development and construction will take approximately 7 years.

### **3.3 Parties involved and their relationship with the Company**

#### **3.3.1 Investment in HRRJV Transactions**

##### Entering into a Land Lease Agreement between DTC and CPB

Lessor	: Crown Property Bureau (the "CPB")
Lessee	: Dusit Thani Public Company Limited
Relationship with the Company	: The CPB has no relationship with the Company pursuant to Notification Relating to Connected Transaction

##### Entering into a Land Sublease Agreement between DTC and HRRJV

Lessor	: Dusit Thani Public Company Limited
Lessee	: HRRJV
Relationship with the Company	: DTC will jointly invest in HRRJV with CPN by holding 60% stake.

##### Joint Investment in HRRJV

Parties	: Dusit Thani Public Company Limited Central Pattana Public Company Limited ("CPN")
Relationship with the Company	: CPN has no relationship with the Company pursuant to Notification Relating to Connected Transaction

##### Entering into a Building Lease Agreement between HRRJV and REJV

Lessor	: HRRJV
Lessee	: REJV
Relationship with the Company	: DTC will jointly invest in HRRJV with CPN by holding 60% stake. DTC will jointly invest in REJV with CPN by holding 15% stake.

##### Selling of HRRJV share

Seller	: Dusit Thani Public Company Limited
Purchaser	: CPN
Relationship with the Company	: CPN has no relationship with the Company pursuant to Notification Relating to Connected Transaction

#### **3.3.2 Investment in REJV Transactions**

##### Entering into a Building Lease Agreement between HRRJV and REJV

Lessor	: HRRJV
Lessee	: REJV

Relationship with the Company : DTC will jointly invest in HRRJV with CPN by holding 60% stake.  
DTC will jointly invest in REJV with CPN by holding 15% stake.

Joint investment in REJV

Parties : Dusit Thani Public Company Limited  
Central Pattana Public Company Limited

Relationship with the Company : CPN has no relationship with the Company pursuant to  
Notification Relating to Connected Transaction

Selling of REJV share

Seller : Dusit Thani Public Company Limited

Purchaser : CPN

Relationship with the Company : CPN has no relationship with the Company pursuant to Notification  
Relating to Connected Transaction

**3.3.3 Investment in OJV Transactions**

Entering into Land Lease Right Assignment Agreement between DTC and OJV

Parties : Dusit Thani Public Company Limited  
OJV

Relationship with the Company : DTC will jointly invest in OJV  
with CPN by holding 10% stake.

Entering into a Land Lease Agreement between CPB and OJV

Lessor : CPB

Lessee : OJV

Relationship with the Company : The CPB has no relationship with the Company pursuant to  
Notification Relating to Connected Transaction  
DTC will jointly invest in OJV  
with CPN by holding 10% stake.

Entering into a Land Sublease Agreement between OJV and OfficeCo

Lessor : OJV

Lessee : OfficeCo

Relationship with the Company : DTC will jointly invest in OJV with CPN by holding 10% stake.  
OfficeCo has no relationship with the Company pursuant to  
Notification Relating to Connected Transaction.

### 3.4 Criteria used for valuation of the Acquisition and Disposition of the Assets

Investment in HRRJV and REJV is deemed the acquisition of the assets pursuant to the Notification on Acquisition or Disposal. Investment in OJV and selling of HRJV and REJV shares is considered the disposition of the assets pursuant to the Notification on Acquisition or Disposal. The details of transaction size calculation are as follows:

#### 3.4.1 Investment in HRRJV Transaction

The calculation is based on DTC's financial statement as of 31 December 2016 and information Memorandum (IM) disclosed through SET system.

Criteria		Calculation
Net tangible assets	=	Value of NTA in the acquisition proportion / Net tangible assets of the Company
	=	Not applicable as transaction is an investment in assets
Net Profit	=	Net profit in the acquisition proportion / net profit of the Company
	=	Not applicable as transaction is an investment in assets
Total value of consideration	=	Total value of consideration / Total assets of the Company
	=	21,900 / 9,032.98
	=	242.44%
Value of securiteis issued by the Company as consideration for the acquired assets	=	There were no issuance of capital increased shares.

Source : IM of the Company disclosed through SET system

The above calculation shows the biggest transaction size of 242.44%, according to total value of consideration criteria.

#### 3.4.2 Investment in REJV Transaction

The calculation is based on DTC's financial statement as of 31 December 2016 and information memorandum (IM) disclosed through SET system.

Criteria		Calculation
Net tangible assets	=	Value of NTA in the acquisition proportion / net tangible assets of the Company
	=	Not applicable as transaction is an investment in assets
Net Profit	=	Net profit in the acquisition proportion / net profit of the Company
	=	Not applicable as transaction is an investment in assets
Total value of consideration	=	Total value of consideration / Total assets of the Company
	=	1,340 / 9,032.98
	=	14.83%

Criteria		Calculation
<b>Value of securiteis issued by the Company as consideration for the acquired assets</b>	=	There were no issuance of capital increased shares.

Source : IM of the Company disclosed through SET system

The above calculation shows the biggest transaction size of 14.83%, according to total value of consideration criteria.

### **Total value of Acquisition of Assets Transactions**

In the past six months, the Board of Directors approved hotel renovation budget of the group and investment in subsidiaries and new project. The total size of transaction was 5.17% based on the value of consideration. When consolidating the size of this transaction with other transactions entered by the Company during the past six months, the size of this transaction is equal to 262.45% based on a total value of consideration, which is considered as Class 4 transaction in accordance with the Notification on Acquisition or Disposition of Assets, which has the total value equals or exceeds 100%. However, since the acquisition transactions meet all requirement as per Clause 24 under 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 and Disposition of Assets B.E. 2004. The Stock Exchange of Thailand may not treat them as a new listing application;

1.The acquired business is in a similar line of business or mutually supporting business to the listed company. Since currently, the core business of the Company is hotel, the Mixed-Use Project has similar line of business for hotel and office building, and the residence and retail shopping center business will also mutually support the current core business of the Company.

2.The listed company has no policy to make a major change in its main business after the acquisition because the core business and main revenues of the Company will be from hotel business after the Mixed-Use Project starts the operation.

3.The enlarged group resulting from the acquisition of assets has suitable qualifications for listing with the Exchange since the Company and its subsidiaries still maintain the same principle of internal control system. The Company and its subsidiaries have no conflict of interest because CPN is only a partner for the joint venture in subsidiary level and in the Mixed-Use Project.

4.There will be no material change in the composition of the board of directors of the listed company or in the power to control the listed company or in the controlling shareholders of the listed company since no directors or executives from CPN will become directors or executives of the Company because CPN is only a partner for the joint venture in subsidiary level and in the Mixed-Use Project.

The acquisition transactions meet all requirement as per Clause 24 under 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 and Disposition of Assets B.E. 2004. The Company shall, therefore, report such transactions to the Securities and Exchange Commission without delay, and shall appoint an independent

financial advisor to evaluate the transactions and provide an independent report as well as to set up a shareholders meeting to seek for the approval of entering into the transactions with the total votes of not less than three-fourths of shareholders attending the meeting and having the right to vote and are entitled to vote, excluding excluding interested shareholders' equity.

### 3.4.3 Investment in OJV

The calculation is based on DTC's financial statement as of 31 December 2016 and information memorandum (IM) disclosed through SET system.

Criteria		Calculation
<b>Net tangible assets</b>	=	Value of NTA in the acquisition proportion / net tangible assets of the Company
	=	Not applicable as transaction is an investment in assets
<b>Net Profit</b>	=	Net profit in the acquisition proportion / net profit of the Company
	=	Not applicable as transaction is an investment in assets
<b>Total value of consideration</b>	=	Total value of consideration / Total assets of the Company
	=	2,700.90 / 9,032.98
	=	29.90%
<b>Value of securities issued by the Company as consideration for the acquired assets</b>	=	There were no issuance of capital increased share.

Source : IM of the Company disclosed through SET system

The above calculation shows the biggest transaction size of 29.90%, according to total value of consideration criteria, which is considered as Class 2 transaction in accordance with the Notification on Acquisition or Disposition of Assets.

### 3.4.4 Selling of HRRJV shares

The calculation is based on DTC's financial statement as of 31 December 2016, HRRJV's financial statement as of 31 December 2016 and information memorandum (IM) disclosed through SET system.

Criteria		Calculation
<b>Net tangible assets</b>	=	Value of NTA in the disposition proportion / net tangible assets of the Company
	=	Not applicable as HRRJV NTA is negative value.
<b>Net Profit</b>	=	Net profit in the disposition proportion / net profit of the Company
	=	Not applicable as HRRJV has net loss.
	=	Total value of consideration / Total assets of the Company
	=	165 / 9,032.98

Criteria		Calculation
<b>Total value of consideration</b>	=	1.83%
<b>Value of securiteis issued by the Company as consideration for the acquired assets</b>	=	There were no issuance of capital increased share.

Source : IM of the Company disclosed through SET system

The above calculation shows the biggest transaction size of 1.83%, according to total value of consideration criteria, which is considered as Class 3 transaction in accordance with the Notification on Acquisition or Disposition of Assets.

### 3.4.5 Selling of REJV shares

The calculation is based on DTC's financial statement as of 31 December 2016, REJV's financial statement as of 31 December 2016 and information memorandum (IM) disclosed through SET system.

Criteria		Calculation
<b>Net tangible assets</b>	=	Value of NTA in the disposition proportion / net tangible assets of the Company
	=	0.02 / 4528.63
	=	0.00%
<b>Net Profit</b>	=	Net profit in the disposition proportion / net profit of the Company
	=	Not applicable as REJV has net loss.
<b>Total value of consideration</b>	=	Total value of consideration / Total assets of the Company
	=	640 / 9,032.98
	=	7.09%
<b>Value of securiteis issued by the Company as consideration for the acquired assets</b>	=	There were no issuance of capital increased share.

Source : IM of the Company disclosed through SET system

The above calculation shows the biggest transaction size of 7.09%, according to total value of consideration criteria, which is considered Class 3 transaction in accordance with the Notification on Acquisition or Disposition of Assets.

### Total value of transactions

The transaction value of investment in OJV and selling of HRJV and REJV shares together are totaling 38.81%, according to total value of exchange criteria, which is considered Class 2 transaction in accordance with the Notification on Acquisition or Disposition of Assets. The Company shall disclose the transaction to SET and submit the information to shareholders within 21 days from the day the transaction is disclosed. However, as such disposition transactions are part of the whole project, the Company will propose to the shareholder's meeting at the same time of acquisition of assets transactions.

## 3.5 Details of Assets in the Acquisition and Disposition of Assets Transactions

### 3.5.1 Investment in HRRJV

Parties	: DTC and CPN in portion of 60:40.
Location	: At the intersection of Silom Road and Rama IV Road
Land area	: Approx. 21 rais (share some part with REJV)
Type of project	: Mixed-Use project consisting Hotel, Residence and Bare shell of Retail Shopping Center
Details of sub-project	<p>: Hotel</p> <ul style="list-style-type: none"> <li>• 5-star hotel, 330 keys</li> <li>• Net area 42,000 sq.m. (excluding parking)</li> <li>• Total investment approx. THB 3,113 million (excluding land rental and financial cost)</li> </ul> <p>Residence</p> <ul style="list-style-type: none"> <li>• Ultra-luxury 301 keys residence</li> <li>• Net area 82,513 sq.m. (excluding parking)</li> <li>• Net sellable area 48,100 sq.m.</li> <li>• Total investment approx. THB 5,853 million (excluding land rental and financial cost)</li> </ul> <p>Bare shell of Retail Shopping Center</p> <ul style="list-style-type: none"> <li>• Net area 70,633 sq.m. (excluding parking)</li> <li>• Total investment approx. THB 1,888 milion (excluding land rental, financial cost, and construction cost of the area over 49,238 sq.m. which will be responsible by REJV)</li> </ul>
Expected Commercial Operation Date	<p>: Hotel : 1 December 2021</p> <p>Residence : Pre-sale 1 January 2018</p> <p>: Start transfer 1 April 2023</p> <p>Bare shell of Retail Shopping Center : (Deliver REJV) : 2021</p>



### **3.5.2 Investment in REJV**

Parties	:	DTC and CPN in portion of 15:85.
Location	:	At the intersection of Silom Road and Rama IV Road
Land area	:	Approx. 21 rais (share some part with HRRJV)
Type of project	:	Retail Shopping Center
Details of project	:	<ul style="list-style-type: none"><li>• Retail Shopping Center with net area 70,633 sq.m. (excluding parking)</li><li>• Net lettable area 47,300 sq.m.</li><li>• Total investment approx. THB 2,488 million (excluding land rental and financial cost)</li></ul>
Expected Commercial Operation Date	:	1 July 2022

### **3.5.3 Investment in OJV**

Parties	:	DTC and CPN in portion of 10:90.
Location	:	At the intersection of Silom Road and Rama IV Road
Land area	:	Approx. 2 rais 2 ngan
Objective	:	To accept the right relating to the lease land of office site and sublease land to OfficeCo.

### **3.6 Conditions to enter into the Acquisitions and Disposition of Assets Transaction**

The acquisition of the assets transactions are consider as class 4 in accordance with the Notification on Acquisition or Disposition of Assets. However, the acquisition transactions meet all requirement as per Clause 24 under 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 and Disposition of Assets B.E. 2004. The Company, therefore, shall has to report such transactions to the Securities and Exchange without delay, and shall appoint an independent financial advisor to evaluate the transactions and provide an independent report as well as to set up a shareholders meeting to get approval on the entry to the transactions with votes of not less than three-fourths of the total number of votes of shareholders who presented at the meeting and are entitled to vote, excluding those with stake holding.

Moreover, most of agreements in the Acquisition and Disposition of Assets transactions states the conditions precedents as follows:

1. The transactions and related agreements shall have been approved by the meeting of the shareholders of DTC.
2. DTC entered into Land Lease Agreeemnt with CPB.

Details of the the conditions precedents in each agreement (if any) are in attachment 3.

## **Section 4: Appropriateness of the Transaction**

### **4.1 Objectives of Entering into Transaction**

The Company negotiated with CPB and was granted the 60-year land lease right, which can be divided into the initial 30-year land lease term and the right to extend for another period of 30 years. This is to replace its existing land lease right which will expire on 31 March 2018 and to waive its right to renew the existing land lease agreement for another 15 years. With the 60-year land lease right, the Company deemed it as an opportunity to jointly invest in a mixed-use property development project consisting of a hotel, residence, retail shopping center and office building, which is to be located on 23-2-2.72 rais of land at the intersection of Silom Road and Raman IV Road with the total investment value not exceeding Baht 36,700 Million. This project will allow the Company a long-term return up to 60 years.

Since the Company will co-invest with CPN, one of the country's experienced and well-known property development companies, the Company's executives strongly believe that the acquisition and disposition of the transactions will greatly benefit the Company in the long run.

### **4.2 Advantages of Entering into the Transaction**

#### **4.2.1 The acquisition and disposition of the assets will enhance the Company's values added.**

After the acquisition and disposition of the assets, the Company's Net Present Value is forecasted, by the IFA, to be Baht 789.74 Million (Net Present Value), of which Baht 611.14 Million is from the investment in HRRJV, Baht 84.33 Million is from the investment in REJV, and Baht 94.27 Million is from the investment in OJV.

#### **4.2.2 The mixed-use project will generate cashflow to be utilized as a source of fund for new projects.**

Entering into the transaction, the Company and its joint venture companies will receive cashflow from the investors. In addition, due to the fact that the new development project will be composed of different types of real estate—hotel, residence, retail shopping mall and office building, it enables the joint venture companies to utilize cashflow from a given real estate as a source of fund for other projects. To cite an example, HRRJV is able to utilize cashflow earned at the early stage of selling of the residence units and leasing of bare shell of retail shopping center for other investments. Therefore, the joint venture companies shall be less financially dependent on the Company's source of fund.

#### **4.2.3 The mixed-use project will enhance the Company's know-how necessary to develop and manage future mixed-use real estates.**

Engaging in this mixed-use investment project will allow the Company's to acquire new know-how and, therefore, leverage its competitiveness in other types of real estate, in addition to the sole expertise in hotel industry. Having CPN as a co-investor—who is one of Thailand's experienced and well-known real estate developers for retail shopping malls and office buildings such as Central Plaza Ladprao, Central Plaza Pinkloa, Central Plaza Bangna, and Central World (The Offices at Central World)—will enable the Company to learn how CPN develops and manages its real estates. Eventually, the Company will be able to apply such attained know-how to develop future investment projects.

**4.2.4 The 60-year land lease right will allow the Company to generate cashflow from its operations continuously.**

In entering into the transaction, the Company was granted the right to lease the land for the next 30 years and the right to extend the lease agreement for another 30 years (60 years in total). The new lease commencement date begins as from 1 July 2024. Whereas, the existing land lease agreement will expire on 31 March 2018 and the Company is entitled to extend the lease agreement for another 15 years.

**4.2.5 The mixed-use project will help diversify the company's investment risks.**

Entering into the transaction, the Company can diversify its investment risks which are caused by the fact that the major revenue stream of the Company comes from hotel business. As of 31 December 2016, the company's revenue streams are derived from 4 businesses: 1) hotel business accounting for 82.46 percent of the Company's total revenue, 2) hotel management service accounting for 2.72 percent of the Company's total business, 3) office building accounting for 1.43 percent of the Company's total revenue and 4) education business accounting for 8.15 percent of the Company's total revenue. Other businesses also generate 5.24 percent of the Company's total revenue. This project will enhance the Company's revenue from the retail shopping mall and residence.

**4.2.6. The Company will earn additional revenue from management fee**

In execution of this transaction, the Company will earn revenue from Base Management Fee, Incentive Management Fee, Royalty Fee, and Building Demolition and Land Preparation Fee in addition to direct revenue earned from the investment of the Mixed-Use project.

**4.3 Disadvantages of Entering into the Transaction**

**4.3.1 Financial burden incurred from the project investment**

To enter into the transaction, the Company will seek for its funding from financial institutions especially in an early stage of the project development, which requires additional financial capitals either in form of capital injection or shareholder loan.

**4.3.2 The mixed-use project has a time limit at 60 years.**

Entering into the transaction, the Company was granted the initial 30-year land lease right and the right to extend the lease agreement for another 30 years (60 years in total). The lease commencement date begins on 1 July 2024. Once the lease agreement completes its 60 years, the Company has to renegotiate for the land lease right or search for a new piece of land to develop a new project to ensure non-disruptive revenue generation in the future.

**4.3.3 Revenue drop from ceasing operation of Dusit Thani Bangkok Hotel**

To enter into the transactions, Dusit Thani Bangkok Hotel (DTBK) must cease its operations for approximately 7 years for the constructions. As a result, the Company will lose the revenue generated by DTBK

during the said period. Currently, DTBK's revenue contribution is approximately Baht 900 Million or accounts for 16.67 percent of the Company's total revenue. Despite having such hiatus, the Company will earn some of its revenue from the investment of the mix-used project and other projects under development. Therefore, the Company sees no detrimental effect from the cease of the hotel's operations.

#### **4.4 Risks of Entering into the Transaction**

##### **4.4.1 Risk from the delay of residence sales**

As HRRJV will utilize the cashflow earned by the sale of the residence to funding other projects, if there is a delay in selling the residence, HRRJV may experience the shortage of cashflow. However, a sensitivity analysis was conducted by the Financial Advisor under the scenario that the sale schedule is adjusted from 6 years to 7 years, the forecasted cashflow is still sufficient and HRRJV is able to find the source of funds without requiring additional cashflow from the Company.

##### **4.4.2 Risk from construction delay**

This project is exposed to the risk of construction delay which can be caused by several factors—project not meeting Environmental Impact Assessment (EIA) requirements, construction cost exceeding the estimated one or delay in the commencement of the project, for instance. The actual return of investment may be significantly different from that of the study.

IFA has analysed the impact from delay in construction in order to consider the change in transaction value as follows:

Delay in Construction (month)	Investment Transactions			Total
	HRRJV	REJV	OJV	
-	611.14	84.33	94.27	<b>789.74</b>
<b>6 months</b>	552.41	69.58	94.27	<b>716.26</b>
<b>12 months</b>	500.35	57.51	94.27	<b>652.12</b>

##### **4.4.3 Risk from the absence of OfficeCo Share Purchase Agreement**

According to the document reviews in relation to the transaction such as the OJV Shareholder Agreement, it was found that there is a sub-lease agreement of land between OJV and OfficeCo. In addition, the OJV Shareholder Agreement also stipulates that the Company plans to transfer part of its lease right to OJV and OJV will sub-lease the land lease right to OfficeCo for the development of office building project. However, from our document reviews, there is no OfficeCo Share Purchase Agreement.

Without the OfficeCo Share Purchase Agreement, the Company may need to invest 25 percent in OfficeCo. As a result, the Company will need to seek for additional source of funds for the development of the project.

Nevertheless, according to the interviews with the Company's management, the Company has no intention to invest in the Office project. Both parties have negotiated and agreed that CPN shall be the sole constructor and developer. Both parties shall, also, ensure that the remaining shares, as stipulated in the drafted Share Purchase Agreement, will be sold and purchased. However, in a case where the Office project raises its fund

while the Company still holds 25 percent of the shares, the Company shall not be required to additionally invest in the Office project.

The IFA views that as the OJV Shareholder Agreement has already been signed, the Company should also sign the OfficeCo Share Purchase Agreement. This is to avoid possible dispute or risks that may occur. However, according to the further review on relevant documents, it is found that the OfficeCo Share Purchase Agreement has been drafted and awaits to be signed.

#### **4.5 Advantages of Not Entering into the Transaction**

##### **4.5.1 The Company does not need to find sources of funds for the transaction.**

Provided that the Company does not engage in the acquisition and disposition of the assets, the Company will not be obliged to utilize its loan facilities from financial institutions for funding the project. Consequently, the Company will have more working capital and can reserve its loan eligibility with financial institution to be used for other projects that may be less risky with equal or more returns.

##### **4.5.2 The Company will have no risk from operating the new business with limited experience**

If the Company decides not to enter into this acquisition and disposition of the assets, the Company's revenue structure will remain the same—having hotel business as its main source of revenue which accounts for 82.46 percent of the Company's total revenue. The company shall not be exposed to the risk inherited from operating the residence and retail shopping mall.

#### **4.6 Disadvantages of Not Entering into the Transaction**

##### **4.6.1 The Company will lose an opportunity to invest in the Mixed-Use Property Development Project**

The Company will lose its opportunity to invest in the Mixed-Use project which can create more values to the shareholders. The Net Present Value is 789.74. This investment will also help the Company in mitigating risks from relying on hotel business.

##### **4.6.2 The Company will have to spend more time considering other projects.**

Due to the fact that the Company's existing land lease right will expire on 31 March 2018 and the Company is entitled to extend the land lease agreement for another 15 years, not entering into the acquisition and disposition of the asset transaction will result in the Company having to negotiate with CPB to extend its right to lease the land for another 15 years.

However, as the existing hotel buildings as well as office building are aging, it would require a big investment to make them look brand-new; whereas, the extended lease agreement is limited to 15 years only. Therefore, the Company may receive lower-than-expected returns. Besides, searching for a new replacement project that is in accordance with the Company's investment policy may take time and operating costs, not to mention associated risks that may be the same or higher than that of the transaction.

**4.7 Summary of the Opinions by the Independent Financial Advisor**

After a due consideration of advantages and disadvantages of entering into the transaction, associated risks, advantages and disadvantages of not entering into the transaction, The IFA agreed that entering into the transaction of the assets is deemed appropriate.

## **Section 5 : The Valuation**

The valuation of the expected benefits from acquisition and disposition of assets transactions that the company shall receive can be derived by discounting the expected cash flow of the transactions with the Weighted Average Cost of Capital : (WACC)

### **5.1 Investment in HRRJV**

In regard to the valuation of the expected benefits from the investment in HRRJV, IFA considers the expected cash flow that the company will receive from various transactions under the contract condition and the management's assumption of the company.

For the case of cash flow that will get from HRRJV which is the joint venture company, IFA will considers from HRRJV dividend from HRRJV as that will be the cash flow that the company will actually get. IFA consider not to use Free Cash Flow to the Firm (FCFF) or Free Cash Flow to Equity (FCFE), as in this case, HRRJV was established for a specific purposed with rather clear dividend payment conditions. Under relating agreements, HRRJV has to consider following manner and order of priority;

- (1) transfers to reserves as required by the Applicable Law (5% of net profit each year until the reserves attain 10% of registered share capital);
- (2) the provision of capital expenditure as per conditions in Shareholder's Agreement, for example repairs and maintenance and working capital, to contuning operations;
- (3) transfers to reserves consistent with the annual's business plan and budget approved by the Board of Directors of HRRJV;
- (4) repayment of any Emergency Loans (if any, in case that one of shareholders is unable to inject Shareholder's Loan, another shareholder can inject Emergency Loans to HRRJV with MLR-1% p.a. interest rate)
- (5) the payment of cash dividends to the maximum level to each Shareholder.

As a result, if consider from the free cash flow could make the valuation of the investment higher than it could be. In some occasions, the joint venture company has cash in flow that results in free cash flow, but the joint venture cannot distribute that cash flow into the form of dividend because some constraints. Therefore, by considering the cash flow in from of HRRJV dividend pay out will be more appropriate and reflect to what company will actually get.

#### **5.1.1 The Assumption regarding the overall development of the HRRJV**

*Establishment of HRRJV, HRRJV Selling of the share stake, and the Assumptions related to source of fund of the HRRJV*

From the document review, the company already established HRRJV in 2016, fully paid-up capital of Baht 100,000; in which the company holds 100% stake in the HRRJV.

From the estimation of the company's management, HRRJV will increase its fully paid-up capital to Baht 1,100.00 Million. IFA deemed such increase of the share capital appropriate in pursuit of the initial agreement of the contract and the Company's debt to equity ratio still remains appropriate.

From the reviews of the agreement and interview with the company's management, the company will gradually sell 40% of the HRRJV share capital to CPN, and will get Baht 165 Million in return. (the total consideration may be subject to change which depends on the investment in the future)

#### Commercial Operation Date and Project's period

IFA assumes that the commercial operation date of the hotel will commence on 1<sup>st</sup> December 2021, in reference to the development plan between the Company and CPN; and will end the project on 30th June 2084 in accordance to the land lease period specified in Land Lease Agreement between the Company and CPB.

IFA's consideration is based on the assumption that the room sale of the Residence building will start on 1st January 2018 and will start transfer the room ownership on 1st April 2023 in reference to the development plan between the Company and CPN.

IFA considers the assumption for the Company to transfer the retail bare shell of the shopping center to REJV in 2021 as referred to in the development plan between the Company and CPN.

#### Debt to Equity Ratio

IFA's considers the Debt to Equity Ratio assumption by referring to the conditions of the agreement between shareholder's of HRRJV. HRRJV specifies D/E Ratio at 1.5 to 1. D and E mean:

- From the agreement signing date until the year 10 by counting since the 1st working day of July 2017. D means Interest bearing debt; and E means the total sum of the Paid-up capital and Shareholder's loan;
- After 10 years as from the 1st working day of July 2017, D means Interest bearing debt; and E means the total sum of Shareholder's equity and Shareholder's loan.

As per HRRJV relevant agreements, HRRJV will start getting loan from financial institution from 2018 onwards. In case, the company and CPN (as joint venture parties) will lend to HRRJV as per conditions of Shareholder's Agreement which in generally will be pro-rata basis.

#### Interest Income

IFA assumes interest income by applying one-year Government Bond interest rate which is 1.53% (source: [www.thaibma.or.th](http://www.thaibma.or.th) as of 31 December 2016).

#### Financial Cost

IFA considers the assumption for the interest rate by specifying the interest at 7% for the loan from financial institutions based on the management's estimation. IFA considers such interest rate appropriate as it is the rate that should already reflect the investment risk and IFA specifies the interest rate for the shareholder's loan at MLR-1% which in approximately 5.26% by referring to the agreement between shareholder's of HRRJV.



So that, during the construction period, financing cost will be booked as part of the assets as follow the relating accounting standard.

In addition, for the financing cost that comes from the shareholder's loan will be treated as company's income. IFA realize such financing costs as company's income following the proportional of loan.

#### Income Tax Expense

IFA considers the assumption for the income tax as expenses by specifying the Corporate Income Tax at 20% by law.

### **5.1.2 Assumption on development of Hotel Business under HRRJV**

#### Room Types and Number of Rooms

Room Types	Number of Room
Deluxe	330
Suite	
Deluxe Suite	
Deluxe - Club Floor	
Suite - Club Floor	
President Suite	

#### Average Room Rates and Average Occupancy Rates

Operating Year	Average Room Rate ( Baht/ Room/ Night )	Average Occupancy Rate (%)
2021	5,900	30
2022	6,300	50
2023	6,600	70
2024	6,800	70
After 2024, Average Room Rate Growth at 3.00%		70 for the rest of the project

IFA considers the assumption for Room Rate and Average Occupancy rate following the company's management projection and referring to the historical occupancy rate of Dusit Thani Hotel Bangkok. IFA sees that such rate are appropriate by comparing with the similar hotel in the nearby area.

#### Operating Expense for Rooms

IFA assumes operating expense for room by adjusting from company management estimation with slight adjustment as referred to the historical data of Dusit Thani Hotel as follows;

% of Room Revenue	2021	2022	2023	2024	From 2025
Expense relating to staff	21%	18%	15%	15%	15%
Other Expenses	9%	8%	7%	7%	7%

IFA considers the assumption on operating expenses for room in accordance with the Company's management projection with a slight adjustment as referred to the historical data of Dusit Thani Hotel.

Administrative Expenses

IFA considers the assumption on Administrative expenses by referring to the conditions as agreed in the contract. The expenses will be separated into Base Management Fee, Incentive Management Fee, and Royalty Fee. IFA consider the rate of such expenses are appropriate.

Investment Cost

IFA considers the assumption on the hotel investment cost by referring to the Company's management projection. The Company estimated such cost in collaboration with the construction consultant. The investment should be around Baht 3,113 Million (exclusive of land lease and financing costs)

**5.1.3 Assumption on development of Residence Business under HRRJV**

Selling Price of Residence unit

IFA considers the assumption on selling price which starts at Baht 250,000-290,000 per sq.m in the year 2018 according to the Company's forecast. IFA takes into account the selling price of the residence units in the nearby area and sees that such selling price is appropriate. In addition, IFA determines that the selling price growth rate at 3% as estimated by the Company's management is appropriate due to the fact that the rate is very close to that of the inflation which follows the conservatism principle.

Selling Schedule

	% of Unit to be sold					
	2018	2019	2020	2021	2022	2023
Residence Unit	27%	29%	30%	10%	3%	1%

IFA considers the assumption on selling schedule based on the the Company's management forecast and the adjustment of slower selling rate by using the reference from the industry. IFA considers that the forecast selling schedule is appropriate.

Centralized Services Charge

IFA consider the assumption of the Revenue from Centralized Services as following the company's management estimation at the rate of 960 baht/ sq m. per year with the assumption of such revenue growth same as the inflation rate around 3% per annum.

Cost of Centralized Services Charge

IFA consider the assumption on Cost of Centralized Services Charge as following the company's management estimation at 95.00% of the Centralized Services charge during the life of the project.

Commission Fee

IFA considers the assumption for the commission fee for residence units at 3.00% of the room sales by reference to the Company's management estimation.

*Brand Licensing Fee*

IFA consider the assumption on Brand Licensing Fee as referring the agreement contract. IFA consider that such rate is appropriate.

*Investment Cost*

IFA considers the assumption on the investment cost for the residence units by referring to the Company's management estimation. The Company assessed such investment cost together with the construction consultant, and sees that the investment should be around Baht 5,853 Million (exclusive of land lease and financial costs)

**5.1.4 Assumption on development of Retail Business under HRRJV**

*Bare shell of Retail Shopping Center rental*

Based on the review of the agreement document, HRRJV shall receive the rental fee from the retail shopping center as agreed in the agreement Between DTC, CPN, HRRJV and REJV .

So that, for the financial estimation, IFA estimate revenue recognition all along the rental period as IFA sees that HRRJV has the obligation to pay the rent to the company as to matching the revenue and cost during the operation period, and it is in line with the company's management estimation. In addition, for the construction cost of the shopping center will be depreciated during the project life. So, the revenue and costs recognition are following the conservatism principle.

*Revenue from parking service*

From the company's management interview, HRRJV is entitled to receive the revenue from parking service. IFA considers the assumption on revenue from parking service at 5.00% of the rental revenue based on historical data from the management.

*Cost of parking service*

IFA considers the assumption on cost of providing parking service at 25.00% of the parking service revenue in reference to the management's interview based on the historical data from the management.

*Investment Cost*

IFA considers the assumption on the investment of the retail shopping center by referring to the Company's management estimation. The company assessed the investment cost together with the construction consultant. The investment cost should be around Baht 1,888 Million (exclusive of land rent and financing cost).

**5.1.5 Assumption on Balance Sheet**

*Trade and other Receivables*

Trade and other Receivables comprised of (1) Trade receivables for Hotel as IFA calculate by referring to the company's average historical debt collection period; and (2) Value Added Tax Refundable as refer to the company's management.

Inventory

Inventory comprised of (1) Inventory for hotel business such as food & beverage. IFA calculate by refer to the average historical inventory holding of the company.

Property, Plant, and Equipment

Property, Plant, and Equipment comprised of (1) Hotel Building (2) Residence Building; and (3) Shopping Center bareshell. Most of the hotel's assets will be depreciated over the project period except for the short usage life assets or assets that need replacement such as furniture and in-room utilities. For the residence and shopping center shall be depreciated over the rental period.

Prepaid Expenses

HRRJV has prepaid land rent to the company, however, HRRJV will benefit from use of land over the rental period. IFA consider to realize the land rental as the expense over the rental period. So, the prepaid expense but not yet recognized in the profit and loss statement shall be booked as prepaid asset.

Trade and other payables

Trade and other payables comprised of (1) Trade payables for hotel business as IFA calculate by refer to average historical repayment of the company; (2) Income received in advance as HRRJV receive the payment when transfer the right of the residence units during the beginning of the project; while HRRJV has to realize revenue over the project period.

**5.1.6 Other Assumptions**

Cash in flow and out flow from land lease

The Company will lease the land from CPB with an advance payment for the amount of Baht 947.32 Million in July 2017, and will pay the rest payment pf approx. 3,789.27 Million Baht (present value) into annual payment for 60 years with 6% interest rate p.a. since July 2024.

HRRJV will sub-lease the land from the Company by making the payment as agreed in the contract in July 2017; and the remaining amount around 3,789.27 Million Baht at the present value by using interest rate at 6.00% by making annual payment for 60 years from July 2024.

The payment of the land lease between CPB and the Company and that of the sub-lease between the Company and HRRJV are in correspondence in terms of the amount and payment terms except the advance land lease payment in July 2017.

In addition, the Land Lease Agreement between the company and CPB specified that if the Lessee completes the building construction and will make use of the building before commencement of rental period in July 2024, the Lessee shall pay rental fee to the Lessor at the rate to be considered by the Lessor that it is appropriate at that time. IFA, therefore, assumes the rental fee to be the same as that along 60 years period for the rental fee between CPB and the company; and sub-lease land rental fee between the company and HRRJV.

*Land lease registration fee*

IFA considers the assumption for the land lease registration fee at the rate of 1.00% of total land lease in accordance with the relevant law for the land lease between CPB and the Company, and sub-lease between the Company and HRRJV.

IFA considers the assumption on stamping fee for the land lease registration at 0.10% of total land lease following the law for the sub-lease land between the Company and HRRJV. From the management's interview and the Company's legal consultant, the stamping fee of the land lease between CPB and the Company will be exempted by law for having CPB as the contract counterpart.

*Transfer of lease bare-shell retail shopping center*

From the agreement reviewing, REJV will have to pay to the Company for the compensation of the transfer of lease bare-shell retail shopping center at the agreed price.

*Capital Reserve*

IFA consider the assumption of capital reserve of HRRJV in the form of cash as define in the relevant contract conditions.

*Dividend Payout*

IFA consider the assumption for HRRJV dividend payout at its payout capacity. Such dividend payout has to follow the law and relevant contract condition such as HRRJV has to fulfill legal reserve; HRRJV has to make reserve for operations, and HRRJV has to make part of the reserve as define in the business plan as approve by the HRRJV board of directors; for example.

*Discount Rate*

As the company enter in the joint venture company, IFA consider the cashflow mainly from the expecting dividend. IFA consider to use shareholder's required rate of return ( $K_s$ ) as the discount rate in order to appropriately reflect the investment risk. The detail of the rate of return to shareholder as shown in attachment 5 part 1.

### 5.1.7 Financial Projection for HRRJV

Unit : Million Baht	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Profit &amp; Loss Statement</b>										
Revenue from Hotel	-	-	-	-	-	80.76	968.62	1,240.64	1,280.61	1,316.20
Revenue from Residence	-	-	-	-	-	-	-	212.89	278.26	279.94
Revenue from Retail	-	-	-	-	-	-	100.45	118.52	123.86	126.61
Other Revenue	-	2.76	6.31	7.23	7.23	12.84	10.34	69.14	109.65	83.83
<b>Total Revenue</b>	-	<b>2.76</b>	<b>6.31</b>	<b>7.23</b>	<b>7.23</b>	<b>93.60</b>	<b>1,079.42</b>	<b>1,641.20</b>	<b>1,792.38</b>	<b>1,806.58</b>
Cost of Sales – Hotel	-	-	-	-	-	(49.41)	(516.47)	(593.09)	(599.14)	(615.95)
Cost of Sales – Residence	-	-	-	-	-	-	-	(125.80)	(158.11)	(159.71)
Cost of Sales – Retail	-	-	-	-	-	-	(36.19)	(40.71)	(42.04)	(42.73)
SG&A	-	-	(43.35)	(101.15)	(112.96)	(250.22)	(623.73)	(1,026.55)	(840.53)	(865.56)
<b>Total Cost of Sales and SG&amp;A</b>	-	-	<b>(43.35)</b>	<b>(101.15)</b>	<b>(112.96)</b>	<b>(299.63)</b>	<b>(1,176.40)</b>	<b>(1,786.15)</b>	<b>(1,639.83)</b>	<b>(1,683.95)</b>
<b>EBIT</b>	-	<b>2.76</b>	<b>(37.04)</b>	<b>(93.93)</b>	<b>(105.74)</b>	<b>(206.03)</b>	<b>(96.98)</b>	<b>(144.96)</b>	<b>152.56</b>	<b>122.62</b>
Financing Costs	-	-	-	-	-	-	-	-	(124.00)	-
<b>EBT</b>	-	<b>2.76</b>	<b>(37.04)</b>	<b>(93.93)</b>	<b>(105.74)</b>	<b>(206.03)</b>	<b>(96.98)</b>	<b>(144.96)</b>	<b>28.56</b>	<b>122.62</b>
Tax	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	-	<b>2.76</b>	<b>(37.04)</b>	<b>(93.93)</b>	<b>(105.74)</b>	<b>(206.03)</b>	<b>(96.98)</b>	<b>(144.96)</b>	<b>28.56</b>	<b>122.62</b>
<b>Statement of Financial Position</b>										
<b>Total Assets</b>	<b>47.21</b>	<b>2,436.83</b>	<b>3,025.55</b>	<b>4,461.07</b>	<b>7,169.22</b>	<b>11,212.04</b>	<b>12,997.81</b>	<b>22,603.05</b>	<b>18,944.32</b>	<b>18,759.54</b>
<b>Total Liabilities</b>	<b>47.11</b>	<b>1,334.06</b>	<b>1,959.82</b>	<b>3,489.27</b>	<b>6,303.16</b>	<b>10,552.01</b>	<b>12,434.76</b>	<b>22,184.95</b>	<b>18,497.74</b>	<b>18,190.34</b>
<b>Total Shareholder's Equity</b>	<b>0.10</b>	<b>1,102.76</b>	<b>1,065.72</b>	<b>971.80</b>	<b>866.06</b>	<b>660.03</b>	<b>563.05</b>	<b>418.10</b>	<b>446.57</b>	<b>569.20</b>

Unit : Million Baht	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Profit &amp; Loss Statement</b>										
Revenue from Hotel	1,355.68	1,396.35	1,441.34	1,481.39	1,525.83	1,571.61	1,622.24	1,667.32	1,717.34	1,768.86
Revenue from Residence	281.67	283.46	285.29	287.19	289.14	291.15	293.22	295.36	297.56	299.82
Revenue from Retail	128.42	130.09	131.83	133.64	135.51	137.47	139.50	141.61	143.81	146.10
Other Revenue	85.38	84.60	83.86	85.76	86.87	86.75	86.09	85.44	81.37	77.40
<b>Total Revenue</b>	<b>1,851.16</b>	<b>1,894.50</b>	<b>1,942.32</b>	<b>1,987.98</b>	<b>2,037.36</b>	<b>2,086.98</b>	<b>2,141.06</b>	<b>2,189.73</b>	<b>2,240.08</b>	<b>2,292.18</b>
Cost of Sales – Hotel	(634.43)	(653.46)	(674.34)	(693.26)	(714.06)	(735.48)	(758.97)	(780.27)	(803.68)	(827.79)
Cost of Sales – Residence	(161.35)	(163.05)	(164.80)	(166.59)	(168.45)	(170.36)	(172.33)	(174.36)	(176.44)	(178.60)

*Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets*

Cost of Sales – Retail	(43.18)	(43.60)	(44.04)	(44.49)	(44.96)	(45.45)	(45.95)	(46.48)	(47.03)	(47.60)
SG&A	(847.33)	(867.95)	(938.21)	(952.03)	(967.24)	(909.59)	(926.85)	(942.40)	(959.51)	(989.19)
<b>Total Cost of Sales and SG&amp;A</b>	<b>(1,686.30)</b>	<b>(1,728.07)</b>	<b>(1,821.38)</b>	<b>(1,856.37)</b>	<b>(1,894.70)</b>	<b>(1,860.87)</b>	<b>(1,904.10)</b>	<b>(1,943.50)</b>	<b>(1,986.67)</b>	<b>(2,043.18)</b>
<b>EBIT</b>	<b>164.86</b>	<b>166.43</b>	<b>120.94</b>	<b>131.61</b>	<b>142.66</b>	<b>226.11</b>	<b>236.96</b>	<b>246.23</b>	<b>253.42</b>	<b>249.00</b>
Financing Costs	-	-	-	-	-	-	-	-	-	-
<b>EBT</b>	<b>164.86</b>	<b>166.43</b>	<b>120.94</b>	<b>131.61</b>	<b>142.66</b>	<b>226.11</b>	<b>236.96</b>	<b>246.23</b>	<b>253.42</b>	<b>249.00</b>
Tax	-	-	(12.00)	(26.00)	(29.00)	(45.00)	(47.00)	(49.00)	(51.00)	(50.00)
<b>Net Income</b>	<b>164.86</b>	<b>166.43</b>	<b>108.94</b>	<b>105.61</b>	<b>113.66</b>	<b>181.11</b>	<b>189.96</b>	<b>197.23</b>	<b>202.42</b>	<b>199.00</b>
<b>Statement of Financial Position</b>										
<b>Total Assets</b>	<b>18,617.01</b>	<b>18,476.13</b>	<b>18,277.28</b>	<b>18,066.60</b>	<b>17,765.20</b>	<b>17,467.22</b>	<b>17,169.67</b>	<b>16,872.73</b>	<b>16,576.08</b>	<b>16,279.34</b>
<b>Total Liabilities</b>	<b>17,882.95</b>	<b>17,575.63</b>	<b>17,268.32</b>	<b>16,961.20</b>	<b>16,654.09</b>	<b>16,347.06</b>	<b>16,040.04</b>	<b>15,733.24</b>	<b>15,426.46</b>	<b>15,119.76</b>
<b>Total Shareholder's Equity</b>	<b>734.06</b>	<b>900.50</b>	<b>1,008.97</b>	<b>1,105.40</b>	<b>1,111.11</b>	<b>1,120.15</b>	<b>1,129.63</b>	<b>1,139.48</b>	<b>1,149.62</b>	<b>1,159.58</b>

Unit : Million Baht	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
<b>Profit &amp; Loss Statement</b>										
Revenue from Hotel	1,825.85	1,876.58	1,932.88	1,990.87	2,055.01	2,112.11	2,175.48	2,240.74	2,312.93	2,377.20
Revenue from Residence	302.16	304.57	307.05	309.60	312.23	314.95	317.74	320.62	323.59	326.65
Revenue from Retail	148.48	150.95	153.52	156.20	158.98	161.87	164.88	168.01	171.26	174.64
Other Revenue	76.92	76.45	75.98	75.52	75.01	70.19	65.45	65.01	64.57	64.13
<b>Total Revenue</b>	<b>2,353.41</b>	<b>2,408.55</b>	<b>2,469.43</b>	<b>2,532.18</b>	<b>2,601.23</b>	<b>2,659.12</b>	<b>2,723.54</b>	<b>2,794.38</b>	<b>2,872.35</b>	<b>2,942.62</b>
Cost of Sales – Hotel	(854.23)	(878.20)	(904.55)	(931.68)	(961.44)	(988.42)	(1,018.08)	(1,048.62)	(1,082.11)	(1,112.48)
Cost of Sales – Residence	(180.82)	(183.10)	(185.46)	(187.89)	(190.39)	(192.96)	(195.62)	(198.36)	(201.18)	(204.08)
Cost of Sales – Retail	(48.20)	(48.82)	(49.46)	(50.13)	(50.82)	(51.55)	(52.30)	(53.08)	(53.89)	(54.74)
SG&A	(1,008.62)	(1,026.12)	(1,045.38)	(1,065.25)	(1,087.11)	(1,106.81)	(1,143.33)	(1,165.68)	(1,190.29)	(1,212.46)
<b>Total Cost of Sales and SG&amp;A</b>	<b>(2,091.86)</b>	<b>(2,136.24)</b>	<b>(2,184.85)</b>	<b>(2,234.95)</b>	<b>(2,289.77)</b>	<b>(2,339.74)</b>	<b>(2,409.32)</b>	<b>(2,465.74)</b>	<b>(2,527.48)</b>	<b>(2,583.76)</b>
<b>EBIT</b>	<b>261.54</b>	<b>272.31</b>	<b>284.58</b>	<b>297.24</b>	<b>311.46</b>	<b>319.38</b>	<b>314.22</b>	<b>328.64</b>	<b>344.88</b>	<b>358.86</b>
Financing Costs	-	-	-	-	-	-	-	-	-	-
<b>EBT</b>	<b>261.54</b>	<b>272.31</b>	<b>284.58</b>	<b>297.24</b>	<b>311.46</b>	<b>319.38</b>	<b>314.22</b>	<b>328.64</b>	<b>344.88</b>	<b>358.86</b>
Tax	(52.00)	(54.00)	(57.00)	(59.00)	(62.00)	(64.00)	(63.00)	(66.00)	(69.00)	(72.00)
<b>Net Income</b>	<b>209.54</b>	<b>218.31</b>	<b>227.58</b>	<b>238.24</b>	<b>249.46</b>	<b>255.38</b>	<b>251.22</b>	<b>262.64</b>	<b>275.88</b>	<b>286.86</b>
<b>Statement of Financial Position</b>										
<b>Total Assets</b>	<b>15,983.11</b>	<b>15,687.56</b>	<b>15,392.52</b>	<b>15,098.08</b>	<b>14,797.56</b>	<b>14,491.52</b>	<b>14,185.50</b>	<b>13,879.59</b>	<b>13,573.69</b>	<b>13,268.11</b>
<b>Total Liabilities</b>	<b>14,813.07</b>	<b>14,506.63</b>	<b>14,200.20</b>	<b>13,893.87</b>	<b>13,587.56</b>	<b>13,281.52</b>	<b>12,975.50</b>	<b>12,669.59</b>	<b>12,363.69</b>	<b>12,058.11</b>
<b>Total Shareholder's Equity</b>	<b>1,170.04</b>	<b>1,180.93</b>	<b>1,192.31</b>	<b>1,204.20</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>

*Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets*

Unit : Million Baht	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
<b>Profit &amp; Loss Statement</b>										
Revenue from Hotel	2,448.52	2,521.97	2,603.22	2,675.56	2,755.83	2,838.50	2,929.95	3,011.37	3,101.71	3,194.76
Revenue from Residence	329.80	333.05	336.39	339.84	343.39	347.05	350.82	354.71	358.71	362.84
Revenue from Retail	178.16	181.82	185.63	189.59	193.71	197.99	202.44	207.07	211.89	216.90
Other Revenue	63.68	63.23	57.58	52.07	51.88	51.68	51.48	51.27	51.06	44.44
<b>Total Revenue</b>	<b>3,020.16</b>	<b>3,100.07</b>	<b>3,182.83</b>	<b>3,257.06</b>	<b>3,344.80</b>	<b>3,435.22</b>	<b>3,534.70</b>	<b>3,624.42</b>	<b>3,723.37</b>	<b>3,818.93</b>
Cost of Sales – Hotel	(1,145.85)	(1,180.23)	(1,217.93)	(1,252.10)	(1,289.67)	(1,328.36)	(1,370.79)	(1,409.25)	(1,451.53)	(1,495.08)
Cost of Sales – Residence	(207.07)	(210.16)	(213.34)	(216.61)	(219.99)	(223.46)	(227.05)	(230.74)	(234.54)	(238.46)
Cost of Sales – Retail	(55.62)	(56.53)	(57.49)	(58.48)	(59.51)	(60.58)	(61.69)	(62.85)	(64.05)	(65.30)
SG&A	(1,236.87)	(1,262.03)	(1,289.73)	(1,332.97)	(1,360.44)	(1,388.76)	(1,419.94)	(1,448.02)	(1,478.94)	(1,510.82)
<b>Total Cost of Sales and SG&amp;A</b>	<b>(2,645.42)</b>	<b>(2,708.95)</b>	<b>(2,778.48)</b>	<b>(2,860.17)</b>	<b>(2,929.60)</b>	<b>(3,001.16)</b>	<b>(3,079.46)</b>	<b>(3,150.86)</b>	<b>(3,229.06)</b>	<b>(3,309.66)</b>
<b>EBIT</b>	<b>374.75</b>	<b>391.12</b>	<b>404.34</b>	<b>396.89</b>	<b>415.20</b>	<b>434.06</b>	<b>455.23</b>	<b>473.56</b>	<b>494.30</b>	<b>509.28</b>
Financing Costs	-	-	-	-	-	-	-	-	-	-
<b>EBT</b>	<b>374.75</b>	<b>391.12</b>	<b>404.34</b>	<b>396.89</b>	<b>415.20</b>	<b>434.06</b>	<b>455.23</b>	<b>473.56</b>	<b>494.30</b>	<b>509.28</b>
Tax	(75.00)	(78.00)	(81.00)	(79.00)	(83.00)	(87.00)	(91.00)	(95.00)	(99.00)	(102.00)
<b>Net Income</b>	<b>299.75</b>	<b>313.12</b>	<b>323.34</b>	<b>317.89</b>	<b>332.20</b>	<b>347.06</b>	<b>364.23</b>	<b>378.56</b>	<b>395.30</b>	<b>407.28</b>
<b>Statement of Financial Position</b>										
<b>Total Assets</b>	<b>12,962.54</b>	<b>12,657.10</b>	<b>12,351.67</b>	<b>12,046.60</b>	<b>11,741.55</b>	<b>11,436.64</b>	<b>11,131.74</b>	<b>10,827.24</b>	<b>10,522.77</b>	<b>10,218.45</b>
<b>Total Liabilities</b>	<b>11,752.54</b>	<b>11,447.10</b>	<b>11,141.67</b>	<b>10,836.60</b>	<b>10,531.55</b>	<b>10,226.64</b>	<b>9,921.74</b>	<b>9,617.24</b>	<b>9,312.77</b>	<b>9,008.45</b>
<b>Total Shareholder's Equity</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>

Unit : Million Baht	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065
<b>Profit &amp; Loss Statement</b>										
Revenue from Hotel	3,297.69	3,389.32	3,491.00	3,595.73	3,711.58	3,814.71	3,929.15	4,047.02	4,177.41	4,293.49
Revenue from Residence	367.09	371.47	375.98	380.63	385.42	390.36	395.45	400.69	406.10	411.66
Revenue from Retail	222.11	227.53	233.16	239.02	245.12	251.46	258.05	264.90	272.03	279.45
Other Revenue	37.98	38.09	38.20	38.29	38.38	38.46	30.64	23.02	23.50	23.97
<b>Total Revenue</b>	<b>3,924.87</b>	<b>4,026.41</b>	<b>4,138.34</b>	<b>4,253.68</b>	<b>4,380.49</b>	<b>4,494.98</b>	<b>4,613.29</b>	<b>4,735.65</b>	<b>4,879.04</b>	<b>5,008.57</b>
Cost of Sales – Hotel	(1,542.84)	(1,586.13)	(1,633.71)	(1,682.72)	(1,736.48)	(1,785.20)	(1,838.76)	(1,893.92)	(1,954.42)	(2,009.26)
Cost of Sales – Residence	(242.50)	(246.66)	(250.95)	(255.37)	(259.92)	(264.61)	(269.44)	(274.42)	(279.56)	(284.84)
Cost of Sales – Retail	(66.61)	(67.96)	(69.37)	(70.83)	(72.36)	(73.94)	(75.59)	(77.30)	(79.09)	(80.94)



*Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets*

SG&A	(1,568.46)	(1,600.07)	(1,634.86)	(1,670.74)	(1,710.23)	(1,745.81)	(1,784.97)	(1,853.17)	(1,897.62)	(1,937.66)
<b>Total Cost of Sales and SG&amp;A</b>	<b>(3,420.40)</b>	<b>(3,500.82)</b>	<b>(3,588.89)</b>	<b>(3,679.67)</b>	<b>(3,778.99)</b>	<b>(3,869.56)</b>	<b>(3,968.76)</b>	<b>(4,098.82)</b>	<b>(4,210.68)</b>	<b>(4,312.70)</b>
<b>EBIT</b>	<b>504.46</b>	<b>525.59</b>	<b>549.45</b>	<b>574.01</b>	<b>601.51</b>	<b>625.42</b>	<b>644.52</b>	<b>636.83</b>	<b>668.36</b>	<b>695.87</b>
Financing Costs	-	-	-	-	-	-	-	-	-	-
<b>EBT</b>	<b>504.46</b>	<b>525.59</b>	<b>549.45</b>	<b>574.01</b>	<b>601.51</b>	<b>625.42</b>	<b>644.52</b>	<b>636.83</b>	<b>668.36</b>	<b>695.87</b>
Tax	(101.00)	(105.00)	(110.00)	(115.00)	(120.00)	(125.00)	(129.00)	(127.00)	(134.00)	(139.00)
<b>Net Income</b>	<b>403.46</b>	<b>420.59</b>	<b>439.45</b>	<b>459.01</b>	<b>481.51</b>	<b>500.42</b>	<b>515.52</b>	<b>509.83</b>	<b>534.36</b>	<b>556.87</b>
<b>Statement of Financial Position</b>										
<b>Total Assets</b>	<b>9,914.15</b>	<b>9,610.30</b>	<b>9,306.48</b>	<b>9,002.84</b>	<b>8,699.21</b>	<b>8,396.09</b>	<b>8,093.00</b>	<b>7,790.10</b>	<b>7,487.23</b>	<b>7,184.93</b>
<b>Total Liabilities</b>	<b>8,704.15</b>	<b>8,400.30</b>	<b>8,096.48</b>	<b>7,792.84</b>	<b>7,489.21</b>	<b>7,186.09</b>	<b>6,883.00</b>	<b>6,580.10</b>	<b>6,277.23</b>	<b>5,974.93</b>
<b>Total Shareholder's Equity</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>

Unit : Million Baht	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075
<b>Profit &amp; Loss Statement</b>										
Revenue from Hotel	4,422.29	4,554.96	4,701.71	4,832.36	4,977.33	5,126.65	5,291.82	5,438.86	5,602.03	5,770.09
Revenue from Residence	417.40	423.31	429.40	435.67	442.14	448.80	455.66	462.74	470.02	477.53
Revenue from Retail	287.16	295.18	303.52	312.19	321.22	330.60	340.36	350.50	361.06	372.03
Other Revenue	24.44	24.89	25.33	16.03	6.99	7.93	8.85	9.76	10.67	11.56
<b>Total Revenue</b>	<b>5,151.29</b>	<b>5,298.34</b>	<b>5,459.96</b>	<b>5,596.25</b>	<b>5,747.67</b>	<b>5,913.97</b>	<b>6,096.68</b>	<b>6,261.86</b>	<b>6,443.78</b>	<b>6,631.22</b>
Cost of Sales – Hotel	(2,069.54)	(2,131.62)	(2,199.71)	(2,261.44)	(2,329.28)	(2,399.16)	(2,475.80)	(2,545.27)	(2,621.63)	(2,700.28)
Cost of Sales – Residence	(290.29)	(295.91)	(301.69)	(307.65)	(313.79)	(320.12)	(326.64)	(333.36)	(340.29)	(347.42)
Cost of Sales – Retail	(82.87)	(84.87)	(86.96)	(89.13)	(91.38)	(93.73)	(96.17)	(98.70)	(101.34)	(104.09)
SG&A	(1,981.74)	(2,027.19)	(2,077.21)	(2,122.28)	(2,206.19)	(2,257.35)	(2,313.65)	(2,364.37)	(2,420.21)	(2,477.78)
<b>Total Cost of Sales and SG&amp;A</b>	<b>(4,424.44)</b>	<b>(4,539.59)</b>	<b>(4,665.58)</b>	<b>(4,780.50)</b>	<b>(4,940.65)</b>	<b>(5,070.36)</b>	<b>(5,212.26)</b>	<b>(5,341.71)</b>	<b>(5,483.47)</b>	<b>(5,629.57)</b>
<b>EBIT</b>	<b>726.85</b>	<b>758.75</b>	<b>794.38</b>	<b>815.76</b>	<b>807.02</b>	<b>843.61</b>	<b>884.42</b>	<b>920.15</b>	<b>960.31</b>	<b>1,001.64</b>
Financing Costs	-	-	-	-	-	-	-	-	-	-
<b>EBT</b>	<b>726.85</b>	<b>758.75</b>	<b>794.38</b>	<b>815.76</b>	<b>807.02</b>	<b>843.61</b>	<b>884.42</b>	<b>920.15</b>	<b>960.31</b>	<b>1,001.64</b>
Tax	(145.00)	(152.00)	(159.00)	(163.00)	(161.00)	(169.00)	(177.00)	(184.00)	(192.00)	(200.00)
<b>Net Income</b>	<b>581.85</b>	<b>606.75</b>	<b>635.38</b>	<b>652.76</b>	<b>646.02</b>	<b>674.61</b>	<b>707.42</b>	<b>736.15</b>	<b>768.31</b>	<b>801.64</b>
<b>Statement of Financial Position</b>										
<b>Total Assets</b>	<b>6,882.67</b>	<b>6,580.62</b>	<b>6,278.60</b>	<b>5,977.23</b>	<b>5,675.89</b>	<b>5,374.80</b>	<b>5,073.73</b>	<b>4,773.40</b>	<b>4,473.10</b>	<b>4,173.09</b>
<b>Total Liabilities</b>	<b>5,672.67</b>	<b>5,370.62</b>	<b>5,068.60</b>	<b>4,767.23</b>	<b>4,465.89</b>	<b>4,164.80</b>	<b>3,863.73</b>	<b>3,563.40</b>	<b>3,263.10</b>	<b>2,963.09</b>
<b>Total Shareholder's Equity</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>	<b>1,210.00</b>

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Unit : Million Baht	2076	2077	2078	2079	2080	2081	2082	2083	2084
<b>Profit &amp; Loss Statement</b>									
Revenue from Hotel	5,955.99	6,121.49	6,305.13	6,494.29	6,703.52	6,889.79	7,096.48	7,309.38	3,797.24
Revenue from Residence	485.27	493.24	501.46	509.92	518.65	527.63	536.90	546.44	444.77
Revenue from Retail	383.45	395.32	407.67	420.51	433.86	447.75	462.19	477.21	246.42
Other Revenue	6.00	-	-	-	-	-	-	-	5.93
<b>Total Revenue</b>	<b>6,830.71</b>	<b>7,010.05</b>	<b>7,214.26</b>	<b>7,424.72</b>	<b>7,656.03</b>	<b>7,865.17</b>	<b>8,095.57</b>	<b>8,333.03</b>	<b>4,494.36</b>
Cost of Sales – Hotel	(2,786.53)	(2,864.72)	(2,950.67)	(3,039.19)	(3,136.27)	(3,224.27)	(3,321.00)	(3,420.63)	(1,783.64)
Cost of Sales – Residence	(354.77)	(362.35)	(370.15)	(378.19)	(386.48)	(395.02)	(403.82)	(412.88)	(369.42)
Cost of Sales – Retail	(106.94)	(109.91)	(113.00)	(116.21)	(119.54)	(123.02)	(126.63)	(130.38)	(67.14)
SG&A	(2,541.16)	(2,640.55)	(2,703.40)	(2,768.20)	(2,839.52)	(2,903.77)	(2,974.51)	(3,047.44)	(2,103.61)
<b>Total Cost of Sales and SG&amp;A</b>	<b>(5,789.40)</b>	<b>(5,977.53)</b>	<b>(6,137.21)</b>	<b>(6,301.78)</b>	<b>(6,481.81)</b>	<b>(6,646.08)</b>	<b>(6,825.95)</b>	<b>(7,011.33)</b>	<b>(4,323.81)</b>
<b>EBIT</b>	<b>1,041.31</b>	<b>1,032.52</b>	<b>1,077.05</b>	<b>1,122.94</b>	<b>1,174.21</b>	<b>1,219.09</b>	<b>1,269.62</b>	<b>1,321.69</b>	<b>170.55</b>
Financing Costs	-	-	-	-	-	-	-	-	-
<b>EBT</b>	<b>1,041.31</b>	<b>1,032.52</b>	<b>1,077.05</b>	<b>1,122.94</b>	<b>1,174.21</b>	<b>1,219.09</b>	<b>1,269.62</b>	<b>1,321.69</b>	<b>170.55</b>
Tax	(208.00)	(207.00)	(215.00)	(225.00)	(235.00)	(244.00)	(254.00)	(264.00)	(34.00)
<b>Net Income</b>	<b>833.31</b>	<b>825.52</b>	<b>862.05</b>	<b>897.94</b>	<b>939.21</b>	<b>975.09</b>	<b>1,015.62</b>	<b>1,057.69</b>	<b>136.55</b>
<b>Statement of Financial Position</b>									
<b>Total Assets</b>	<b>4,599.75</b>	<b>4,201.66</b>	<b>3,804.99</b>	<b>3,409.53</b>	<b>3,015.94</b>	<b>2,622.76</b>	<b>2,231.17</b>	<b>1,840.95</b>	<b>1,650.39</b>
<b>Total Liabilities</b>	<b>2,663.10</b>	<b>2,363.94</b>	<b>2,064.82</b>	<b>1,766.01</b>	<b>1,467.24</b>	<b>1,169.39</b>	<b>871.59</b>	<b>574.15</b>	<b>440.39</b>
<b>Total Shareholder's Equity</b>	<b>1,936.65</b>	<b>1,837.73</b>	<b>1,740.17</b>	<b>1,643.52</b>	<b>1,548.70</b>	<b>1,453.37</b>	<b>1,359.58</b>	<b>1,266.80</b>	<b>1,210.00</b>

### 5.1.8 Summary of Cash inflow that the Company expects to receive

Unit : Million Baht	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Land lease payment to CPB	-	(947.32)	-	-	-	-	-	-	(234.46)	(234.46)
Payment for Land lease registration fee between company and CPB	-	(150.15)	-	-	-	-	-	-	-	-
Cash in flow from HRRJV	-	1,511.80	-	-	296.62	-	-	-	234.46	234.46
Set up HRRJV and increase share capital in HRRJV <sup>1</sup>	(0.10)	(714.94)	-	-	-	-	-	-	-	-
Disposition of HRRJV shares	-	0.04	161.52	-	-	-	-	-	-	-
(Provide loan) or Repayment of loan to HRRJV <sup>1</sup>	(47.11)	(499.98)	42.08	-	-	-	-	-	505.01	-
Interest received from lending	-	15.63	27.68	26.58	26.58	26.58	26.58	26.58	13.29	-
Dividend from HRRJV <sup>2</sup>	-	-	-	-	-	-	-	-	-	-
Unit : Million Baht	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Land lease payment paid to CPB	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)
Cash in flow from HRRJV	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46
Dividend from HRRJV <sup>2</sup>	-	-	-	5.31	65.05	103.11	108.05	112.28	115.56	113.54
Unit : Million Baht	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Land lease payment paid to CPB	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)
Cash in flow from HRRJV	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46
Dividend from HRRJV <sup>2</sup>	119.26	124.17	129.77	135.54	146.02	153.30	150.83	157.75	165.54	172.25
Unit : Million Baht	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Land lease payment paid to CPB	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)
Cash in flow from HRRJV	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46
Dividend from HRRJV <sup>2</sup>	179.88	187.74	194.09	190.51	199.30	208.35	218.51	227.31	237.27	244.45
Unit : Million Baht	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065
Land lease payment paid to CPB	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)
Cash in flow from HRRJV	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46
Dividend from HRRJV <sup>2</sup>	242.14	252.28	263.73	275.52	288.72	300.20	309.37	305.68	320.81	334.02
Unit : Million Baht	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075
Land lease payment paid to CPB	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)
Cash in flow from HRRJV	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46

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Dividend from HRRJV <sup>2</sup>	348.89	364.20	381.30	391.56	387.37	404.93	424.52	441.67	460.95	480.79
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Unit : Million Baht	2076	2077	2078	2079	2080	2081	2082	2083	2084
Land lease payment paid to CPB	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	(234.46)	-
Cash in flow from HRRJV	234.46	234.46	234.46	234.46	234.46	234.46	234.46	234.46	-
Dividend from HRRJV <sup>2</sup>	63.84	554.96	575.52	597.00	620.51	642.36	665.69	690.08	115.94
Shareholder's Equity of HRRJV at the end of project <sup>3</sup>	-	-	-	-	-	-	-	-	726.00
<b>NPV as of 31 December 2016</b>	<b>611.14</b>								

- Note :
1. IFA considers the assumption of increase share capital and loans based on the preliminary agreement in the contract and management's forecast.
  2. Dividend by the share holding proportion of the company in HRRJV at 60.00%
  3. Shareholder's equity of HRRJV at the end of the project by the share holding proportion in HRRJV at 60.00%

From the information above, the expected NPV the Company will receive is **Baht 611.14 Million**.

## **5.2 Investment in REJV**

In the valuation of the investment transaction in REJV, IFA considers the expected cashflows that the company will receive from each transaction as defined in the contract and the Company management's assumption.

IFA considers the cash inflow from REJV to DTC in form of dividend from REJV. IFA does not consider free cash flow of company (FCFF) or free cash flow of shareholders (FCFE) due to REJV is established as a special purposed company with specific objective and dividend payment conditions. According to the agreement, REJV has to consider following manner and order of priority;

- (1) transfers to reserves as required by the Applicable Law (5% of net profit each year until the reserves attain 10% of registered share capital);
- (2) the provision of capital expenditure as per conditions in Shareholder's Agreement, for example repairs and maintenance and working capital, to continuing operations;
- (3) transfers to reserves consistent with the annual's business plan and budget approved by the Board of Directors of REJV;
- (4) the payment of cash dividends to the maximum level to each Shareholder.

IFA views that considering free cash flow may leads to higher value of transaction. REJV cannot pay all of free cash flow as a dividend due to the limitations. Therefore, considering cash flow to DTC in form of dividend is more appropriate and actual.

### **5.2.1 Assumptions on project development of REJV**

#### *Establishment of REJV, Disposition of REJV shares and Assumption on Source of Fund for REJV*

The Company established REJV in 2016 with the share register for the amount of Baht 100,000 and fully paid up. The Company fully owns the shares in the REJV.

From the Company's management estimation, REJV will increase the paid in capital until Baht 2,008.50 Million. IFA sees that such share increase is appropriate according to the preliminary agreement in the contract and will still have appropriate debt to equity ratio.

From the contract validation and interviews with the Company's management, the Company will get Baht 667 Million from gradually selling 85% of REJV shares to CPN. (the total consideration may be subject to change which depends on the investment in the future).

#### *Commercial Operation Date and Project Life*

IFA considers the assumption of the commercial operation date for the shopping center to be on 1 July 2022 by referring to the development plan between the Company and CPN; and the project will end by 30 June 2084 as referring to the land lease period between the Company and CPB.

#### *Rent area*

IFA considers the assumptions on the net area rent for shopping center at 47,300 sq.m according to the company management's estimation and agreement between DTC and CPN.

*Rental Rate*

IFA considers the assumption on the average rental rate starting at Baht 1,350 /sq.m. per month for the year 2022 based on the historical rental rate received from the management, and considers the average rental rate growth at 3% and 4% for the year 2023 and from the year 2024 respectively as determined by the historical rental rate growth provided by the management.

*Average Occupancy Rate*

IFA considers the assumption on average occupancy rate by determining the historical occupancy rate as provided by the management and assuming the occupancy rate between 80.00 – 96.00%. The occupancy rate is expected to increase after opening.

*Other Revenue*

IFA consider the assumption on other revenue such as revenue from service utilities by assuming from the historical data of the proportion of other revenue in comparative to rental revenue as provided by the management. Assuming that other revenue is 40.0% of the rental revenue.

*Operating Costs to operate shopping center*

IFA considers the assumption on operating costs to operate shopping center by determining the historical operating costs as provide by the management as follows;

	2022	2023	2024	2025	2026	2036 onward
% of Total revenue	55.00	50.00	40.00	38.00	36.00	34.00

*SG&A*

IFA considers the assumption on the SG&A by referring to the condition as agreed in the contract. The expense will be separated into Base Management Fee and Incentive Management Fee. IFA consider such rate as appropriate.

*D/E Ratio*

IFA considers the assumption for the Debt to Equity Ratio by referring to the condition of the contract between shareholder's of HRRJV. HRRJV specify D/E Ratio at 1.5 to 1. D and E means:

- From the contract signing date until the year 10 by counting since the 1<sup>st</sup> working day of July 2017. D means Interest bearing debt; and E means the total sum of the Paid-up capital and Shareholder's loan;
- After 10 years since the 1<sup>st</sup> working day of January 2017, D means interest bearing debt; and E means total sum of Shareholder's equity and Shareholder's loan.

From the relating contract, REJV will start to use loan from financial institute from 2021; and in case that REJV cannot find enough source of fund from the financial institute, company and CPN as shareholder will responsible to provide loan to REJV as following the contract condition mainly by share holding proportion

Interest income

IFA consider the assumption on interest income by referring to the interest on one-year government bond which is 1.53% per annum (source: www.thaibma.or.th as of 31 December 2016.)

Financial Cost

IFA considers the assumption on interest rate by assuming the interest rate for the loan from financial institute at 7.00% based on the management's estimation. IFA considers such rate appropriate as it should already reflect the investment risk, and assumes the interest for shareholder's loan at MLR-1%, using to the same rate as specified in the contract among HRRJV shareholder's due to the fact that IFA has not found such interest rate in the REJV shareholder's agreement.

IFA consider the assumption on interest from shareholder's loan at MLR-1.00% which is around 5.26% by using the same reference rate as defined in HRRJV shareholder's agreement. IFA could not find condition for assuming the shareholder's loan for REJV.

Due to that, during the construction, the financing costs will be booked as part of asset value as follow the relevant accounting standard.

In addition, for the financing cost of the shareholder's loan will be treated as company's income. IFA realize the financing cost as company's income by the proportion of the loan.

Income Tax

IFA considers the assumption for the income tax by specifying the Corporate Income Tax at 20% by law.

Investment Cost

IFA considers the assumption on investment by referring to the management's estimation which should be around Baht 2,488 Million (exclusive of rent)

Transfer of right to rent the shopping center and building rent

By contract reviewing, REJV has to make payments in compensation to the transfer lease right to rent the shopping center to the Company as agreed in the contract.

Reserve

IFA consider the assumption on REJV reserve in the form of cash as follow the relevant contract conditions.

Dividend Payout

IFA consider the assumption for REJV dividend payout at its payout capacity. Such payout will have to follow the law and relating contract condition such as REJV has to fulfill legal reserve, REJV has to make part of the reserve for the operation, and REJV has to make reserve to utilize as follow the business plan as approve by the REJV board of director.

*Discount Rate*

As the company enter in the joint venture company, IFA consider the cashflow mainly from the expecting dividend. IFA consider to use the shareholder's required rate of return ( $K_e$ ) as the discount rate in order to appropriately reflect the investment risk. The detail of the rate of return to shareholder as shown in attachment 5 part 2.



## 5.2.2 REJV Financial Estimation

Unit: Million Baht	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Profit &amp; Loss Statement</b>										
<b>Total Revenue</b>	-	1.00	1.00	3.00	9.00	7.00	399.00	906.00	1,048.00	1,125.00
Cost	-	-	-	-	-	-	(219.00)	(453.00)	(419.00)	(428.00)
<b>Gross Profit</b>	-	1.00	1.00	3.00	9.00	7.00	180.00	453.00	629.00	697.00
SG&A	-	-	-	-	-	(5.00)	(220.00)	(184.00)	(185.00)	(219.00)
<b>EBIT</b>	-	1.00	1.00	3.00	9.00	2.00	(40.00)	269.00	444.00	478.00
Financing Costs	-	-	-	-	-	-	(390.00)	(433.00)	(446.00)	(436.00)
<b>EBT</b>	-	1.00	1.00	3.00	9.00	2.00	(430.00)	(164.00)	(2.00)	42.00
Income Tax	-	-	-	-	-	-	-	-	-	-
<b>Net Profit</b>	-	1.00	1.00	3.00	9.00	2.00	(430.00)	(164.00)	(2.00)	42.00
<b>Statement of Financial Position</b>										
<b>Total Assets</b>	-	573.00	1,126.00	1,468.00	3,636.00	7,342.00	7,837.00	8,225.00	8,098.00	7,971.00
<b>Total Liabilities</b>	-	401.00	816.00	1,072.00	2,698.00	5,463.00	6,258.00	6,811.00	6,687.00	6,516.00
<b>Shareholder's Equity</b>	-	172.00	310.00	396.00	939.00	1,879.00	1,580.00	1,415.00	1,413.00	1,455.00

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Unit: Million Baht	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Profit &amp; Loss Statement</b>										
<b>Total Revenue</b>	<b>1,176.00</b>	<b>1,223.00</b>	<b>1,272.00</b>	<b>1,323.00</b>	<b>1,376.00</b>	<b>1,431.00</b>	<b>1,488.00</b>	<b>1,548.00</b>	<b>1,610.00</b>	<b>1,674.00</b>
Cost	(423.00)	(416.00)	(433.00)	(450.00)	(468.00)	(487.00)	(506.00)	(526.00)	(547.00)	(569.00)
<b>Gross Profit</b>	<b>753.00</b>	<b>807.00</b>	<b>839.00</b>	<b>873.00</b>	<b>908.00</b>	<b>944.00</b>	<b>982.00</b>	<b>1,022.00</b>	<b>1,063.00</b>	<b>1,105.00</b>
SG&A	(227.00)	(234.00)	(240.00)	(196.00)	(198.00)	(253.00)	(204.00)	(270.00)	(331.00)	(276.00)
<b>EBIT</b>	<b>526.00</b>	<b>573.00</b>	<b>599.00</b>	<b>677.00</b>	<b>710.00</b>	<b>691.00</b>	<b>778.00</b>	<b>752.00</b>	<b>732.00</b>	<b>829.00</b>
Financing Costs	(421.00)	(402.00)	(381.00)	(356.00)	(327.00)	(296.00)	(284.00)	(267.00)	(225.00)	(179.00)
<b>EBT</b>	<b>105.00</b>	<b>171.00</b>	<b>218.00</b>	<b>321.00</b>	<b>383.00</b>	<b>395.00</b>	<b>494.00</b>	<b>485.00</b>	<b>507.00</b>	<b>650.00</b>
Income Tax	-	-	(40.00)	(64.00)	(77.00)	(79.00)	(99.00)	(97.00)	(101.00)	(130.00)
<b>Net Profit</b>	<b>105.00</b>	<b>171.00</b>	<b>178.00</b>	<b>257.00</b>	<b>306.00</b>	<b>316.00</b>	<b>395.00</b>	<b>388.00</b>	<b>406.00</b>	<b>520.00</b>
<b>Statement of Financial Position</b>										
<b>Total Assets</b>	<b>7,836.00</b>	<b>7,702.00</b>	<b>7,567.00</b>	<b>7,435.00</b>	<b>7,300.00</b>	<b>7,164.00</b>	<b>7,672.00</b>	<b>7,473.00</b>	<b>7,272.00</b>	<b>7,076.00</b>
<b>Total Liabilities</b>	<b>6,277.00</b>	<b>5,972.00</b>	<b>5,658.00</b>	<b>5,268.00</b>	<b>4,828.00</b>	<b>4,374.00</b>	<b>4,486.00</b>	<b>3,900.00</b>	<b>3,295.00</b>	<b>2,580.00</b>
<b>Shareholder's Equity</b>	<b>1,560.00</b>	<b>1,731.00</b>	<b>1,910.00</b>	<b>2,167.00</b>	<b>2,473.00</b>	<b>2,790.00</b>	<b>3,186.00</b>	<b>3,573.00</b>	<b>3,978.00</b>	<b>4,498.00</b>

*Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets*

Unit: Million Baht	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
<b>Profit &amp; Loss Statement</b>										
<b>Total Revenue</b>	<b>1,741.00</b>	<b>1,811.00</b>	<b>1,883.00</b>	<b>1,958.00</b>	<b>2,037.00</b>	<b>2,118.00</b>	<b>2,203.00</b>	<b>2,291.00</b>	<b>2,383.00</b>	<b>2,478.00</b>
Cost	(592.00)	(616.00)	(640.00)	(666.00)	(692.00)	(720.00)	(749.00)	(779.00)	(810.00)	(843.00)
<b>Gross Profit</b>	<b>1,149.00</b>	<b>1,195.00</b>	<b>1,243.00</b>	<b>1,292.00</b>	<b>1,345.00</b>	<b>1,398.00</b>	<b>1,454.00</b>	<b>1,512.00</b>	<b>1,573.00</b>	<b>1,635.00</b>
SG&A	(279.00)	(348.00)	(286.00)	(289.00)	(366.00)	(296.00)	(300.00)	(428.00)	(349.00)	(354.00)
<b>EBIT</b>	<b>870.00</b>	<b>847.00</b>	<b>957.00</b>	<b>1,003.00</b>	<b>979.00</b>	<b>1,102.00</b>	<b>1,154.00</b>	<b>1,084.00</b>	<b>1,224.00</b>	<b>1,281.00</b>
Financing Costs	(126.00)	(75.00)	(26.00)	(1.00)	-	-	-	-	-	-
<b>EBT</b>	<b>744.00</b>	<b>772.00</b>	<b>931.00</b>	<b>1,002.00</b>	<b>979.00</b>	<b>1,102.00</b>	<b>1,154.00</b>	<b>1,084.00</b>	<b>1,224.00</b>	<b>1,281.00</b>
Income Tax	(149.00)	(154.00)	(186.00)	(201.00)	(196.00)	(220.00)	(231.00)	(217.00)	(245.00)	(256.00)
<b>Net Profit</b>	<b>595.00</b>	<b>618.00</b>	<b>745.00</b>	<b>801.00</b>	<b>783.00</b>	<b>882.00</b>	<b>923.00</b>	<b>867.00</b>	<b>979.00</b>	<b>1,025.00</b>
<b>Statement of Financial Position</b>										
<b>Total Assets</b>	<b>6,878.00</b>	<b>6,678.00</b>	<b>6,482.00</b>	<b>6,284.00</b>	<b>6,083.00</b>	<b>5,888.00</b>	<b>6,741.00</b>	<b>6,499.00</b>	<b>6,264.00</b>	<b>6,025.00</b>
<b>Total Liabilities</b>	<b>1,787.00</b>	<b>968.00</b>	<b>27.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Shareholder's Equity</b>	<b>5,092.00</b>	<b>5,710.00</b>	<b>6,455.00</b>	<b>6,285.00</b>	<b>6,084.00</b>	<b>5,889.00</b>	<b>6,741.00</b>	<b>6,499.00</b>	<b>6,264.00</b>	<b>6,026.00</b>

*Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets*

Unit: Million Baht	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
<b>Profit &amp; Loss Statement</b>										
<b>Total Revenue</b>	<b>2,577.00</b>	<b>2,680.00</b>	<b>2,787.00</b>	<b>2,899.00</b>	<b>3,015.00</b>	<b>3,135.00</b>	<b>3,261.00</b>	<b>3,391.00</b>	<b>3,527.00</b>	<b>3,668.00</b>
Cost	(876.00)	(911.00)	(948.00)	(986.00)	(1,025.00)	(1,066.00)	(1,109.00)	(1,153.00)	(1,199.00)	(1,247.00)
<b>Gross Profit</b>	<b>1,701.00</b>	<b>1,769.00</b>	<b>1,839.00</b>	<b>1,913.00</b>	<b>1,990.00</b>	<b>2,069.00</b>	<b>2,152.00</b>	<b>2,238.00</b>	<b>2,328.00</b>	<b>2,421.00</b>
SG&A	(451.00)	(363.00)	(368.00)	(478.00)	(378.00)	(384.00)	(507.00)	(531.00)	(555.00)	(714.00)
<b>EBIT</b>	<b>1,250.00</b>	<b>1,406.00</b>	<b>1,471.00</b>	<b>1,435.00</b>	<b>1,612.00</b>	<b>1,685.00</b>	<b>1,645.00</b>	<b>1,707.00</b>	<b>1,773.00</b>	<b>1,707.00</b>
Financing Costs	-	-	-	-	-	-	(222.00)	(400.00)	(309.00)	(211.00)
<b>EBT</b>	<b>1,250.00</b>	<b>1,406.00</b>	<b>1,471.00</b>	<b>1,435.00</b>	<b>1,612.00</b>	<b>1,685.00</b>	<b>1,423.00</b>	<b>1,307.00</b>	<b>1,464.00</b>	<b>1,496.00</b>
Income Tax	(250.00)	(281.00)	(294.00)	(287.00)	(322.00)	(337.00)	(285.00)	(261.00)	(293.00)	(299.00)
<b>Net Profit</b>	<b>1,000.00</b>	<b>1,125.00</b>	<b>1,177.00</b>	<b>1,148.00</b>	<b>1,290.00</b>	<b>1,348.00</b>	<b>1,138.00</b>	<b>1,046.00</b>	<b>1,171.00</b>	<b>1,197.00</b>
<b>Statement of Financial Position</b>										
<b>Total Assets</b>	<b>5,783.00</b>	<b>5,548.00</b>	<b>5,311.00</b>	<b>5,068.00</b>	<b>4,834.00</b>	<b>4,596.00</b>	<b>12,063.00</b>	<b>11,875.00</b>	<b>11,674.00</b>	<b>11,458.00</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,329.00</b>	<b>5,094.00</b>	<b>3,722.00</b>	<b>2,309.00</b>
<b>Shareholder's Equity</b>	<b>5,783.00</b>	<b>5,549.00</b>	<b>5,311.00</b>	<b>5,068.00</b>	<b>4,835.00</b>	<b>4,597.00</b>	<b>5,735.00</b>	<b>6,781.00</b>	<b>7,952.00</b>	<b>9,149.00</b>

*Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets*

Unit: Million Baht	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065
<b>Profit &amp; Loss Statement</b>										
<b>Total Revenue</b>	<b>3,815.00</b>	<b>3,967.00</b>	<b>4,126.00</b>	<b>4,291.00</b>	<b>4,463.00</b>	<b>4,641.00</b>	<b>4,827.00</b>	<b>5,020.00</b>	<b>5,221.00</b>	<b>5,430.00</b>
Cost	(1,297.00)	(1,349.00)	(1,403.00)	(1,459.00)	(1,517.00)	(1,578.00)	(1,641.00)	(1,707.00)	(1,775.00)	(1,846.00)
<b>Gross Profit</b>	<b>2,518.00</b>	<b>2,618.00</b>	<b>2,723.00</b>	<b>2,832.00</b>	<b>2,946.00</b>	<b>3,063.00</b>	<b>3,186.00</b>	<b>3,313.00</b>	<b>3,446.00</b>	<b>3,584.00</b>
SG&A	(607.00)	(635.00)	(814.00)	(695.00)	(727.00)	(928.00)	(795.00)	(832.00)	(1,042.00)	(874.00)
<b>EBIT</b>	<b>1,911.00</b>	<b>1,983.00</b>	<b>1,909.00</b>	<b>2,137.00</b>	<b>2,219.00</b>	<b>2,135.00</b>	<b>2,391.00</b>	<b>2,481.00</b>	<b>2,404.00</b>	<b>2,710.00</b>
Financing Costs	(104.00)	(23.00)	-	-	-	-	-	-	-	-
<b>EBT</b>	<b>1,807.00</b>	<b>1,960.00</b>	<b>1,909.00</b>	<b>2,137.00</b>	<b>2,219.00</b>	<b>2,135.00</b>	<b>2,391.00</b>	<b>2,481.00</b>	<b>2,404.00</b>	<b>2,710.00</b>
Income Tax	(361.00)	(392.00)	(382.00)	(427.00)	(444.00)	(427.00)	(478.00)	(496.00)	(481.00)	(542.00)
<b>Net Profit</b>	<b>1,446.00</b>	<b>1,568.00</b>	<b>1,527.00</b>	<b>1,710.00</b>	<b>1,775.00</b>	<b>1,708.00</b>	<b>1,913.00</b>	<b>1,985.00</b>	<b>1,923.00</b>	<b>2,168.00</b>
<b>Statement of Financial Position</b>										
<b>Total Assets</b>	<b>11,243.00</b>	<b>11,013.00</b>	<b>10,763.00</b>	<b>10,513.00</b>	<b>10,244.00</b>	<b>9,963.00</b>	<b>9,679.00</b>	<b>9,369.00</b>	<b>9,062.00</b>	<b>8,767.00</b>
<b>Total Liabilities</b>	<b>649.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Shareholder's Equity</b>	<b>10,595.00</b>	<b>11,013.00</b>	<b>10,764.00</b>	<b>10,514.00</b>	<b>10,244.00</b>	<b>9,963.00</b>	<b>9,679.00</b>	<b>9,370.00</b>	<b>9,063.00</b>	<b>8,768.00</b>

*Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets*

Unit: Million Baht	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075
<b>Profit &amp; Loss Statement</b>										
<b>Total Revenue</b>	<b>5,647.00</b>	<b>5,873.00</b>	<b>6,108.00</b>	<b>6,352.00</b>	<b>6,606.00</b>	<b>6,870.00</b>	<b>7,145.00</b>	<b>7,431.00</b>	<b>7,728.00</b>	<b>8,037.00</b>
Cost	(1,920.00)	(1,997.00)	(2,077.00)	(2,160.00)	(2,246.00)	(2,336.00)	(2,429.00)	(2,526.00)	(2,628.00)	(2,733.00)
<b>Gross Profit</b>	<b>3,727.00</b>	<b>3,876.00</b>	<b>4,031.00</b>	<b>4,192.00</b>	<b>4,360.00</b>	<b>4,534.00</b>	<b>4,716.00</b>	<b>4,905.00</b>	<b>5,100.00</b>	<b>5,304.00</b>
SG&A	(896.00)	(1,132.00)	(944.00)	(969.00)	(1,235.00)	(1,023.00)	(1,052.00)	(1,351.00)	(1,114.00)	(1,148.00)
<b>EBIT</b>	<b>2,831.00</b>	<b>2,744.00</b>	<b>3,087.00</b>	<b>3,223.00</b>	<b>3,125.00</b>	<b>3,511.00</b>	<b>3,664.00</b>	<b>3,554.00</b>	<b>3,986.00</b>	<b>4,156.00</b>
Financing Costs	-	-	-	-	-	-	-	-	-	-
<b>EBT</b>	<b>2,831.00</b>	<b>2,744.00</b>	<b>3,087.00</b>	<b>3,223.00</b>	<b>3,125.00</b>	<b>3,511.00</b>	<b>3,664.00</b>	<b>3,554.00</b>	<b>3,986.00</b>	<b>4,156.00</b>
Income Tax	(566.00)	(549.00)	(617.00)	(645.00)	(625.00)	(702.00)	(733.00)	(711.00)	(797.00)	(831.00)
<b>Net Profit</b>	<b>2,265.00</b>	<b>2,195.00</b>	<b>2,470.00</b>	<b>2,578.00</b>	<b>2,500.00</b>	<b>2,809.00</b>	<b>2,931.00</b>	<b>2,843.00</b>	<b>3,189.00</b>	<b>3,325.00</b>
<b>Statement of Financial Position</b>										
<b>Total Assets</b>	<b>8,475.00</b>	<b>8,180.00</b>	<b>7,898.00</b>	<b>7,614.00</b>	<b>7,327.00</b>	<b>7,062.00</b>	<b>6,792.00</b>	<b>6,524.00</b>	<b>6,280.00</b>	<b>6,036.00</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Shareholder's Equity</b>	<b>8,475.00</b>	<b>8,180.00</b>	<b>7,899.00</b>	<b>7,615.00</b>	<b>7,327.00</b>	<b>7,062.00</b>	<b>6,792.00</b>	<b>6,525.00</b>	<b>6,280.00</b>	<b>6,036.00</b>

*Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets*

Unit: Million Baht	2076	2077	2078	2079	2080	2081	2082	2083	2084
<b>Profit &amp; Loss Statement</b>									
<b>Total Revenue</b>	<b>8,359.00</b>	<b>8,693.00</b>	<b>9,041.00</b>	<b>9,402.00</b>	<b>9,778.00</b>	<b>10,169.00</b>	<b>10,576.00</b>	<b>10,999.00</b>	<b>5,735.00</b>
Cost	(2,842.00)	(2,956.00)	(3,074.00)	(3,197.00)	(3,325.00)	(3,458.00)	(3,596.00)	(3,740.00)	(1,950.00)
<b>Gross Profit</b>	<b>5,517.00</b>	<b>5,737.00</b>	<b>5,967.00</b>	<b>6,205.00</b>	<b>6,453.00</b>	<b>6,711.00</b>	<b>6,980.00</b>	<b>7,259.00</b>	<b>3,785.00</b>
SG&A	(1,492.00)	(1,239.00)	(1,302.00)	(1,723.00)	(1,489.00)	(1,633.00)	(2,229.00)	(2,190.00)	(2,614.00)
<b>EBIT</b>	<b>4,025.00</b>	<b>4,498.00</b>	<b>4,665.00</b>	<b>4,482.00</b>	<b>4,964.00</b>	<b>5,078.00</b>	<b>4,751.00</b>	<b>5,069.00</b>	<b>1,171.00</b>
Financing Costs	-	-	-	-	-	-	-	-	-
<b>EBT</b>	<b>4,025.00</b>	<b>4,498.00</b>	<b>4,665.00</b>	<b>4,482.00</b>	<b>4,964.00</b>	<b>5,078.00</b>	<b>4,751.00</b>	<b>5,069.00</b>	<b>1,171.00</b>
Income Tax	(805.00)	(900.00)	(933.00)	(896.00)	(993.00)	(1,016.00)	(950.00)	(1,014.00)	(234.00)
<b>Net Profit</b>	<b>3,220.00</b>	<b>3,598.00</b>	<b>3,732.00</b>	<b>3,586.00</b>	<b>3,971.00</b>	<b>4,062.00</b>	<b>3,801.00</b>	<b>4,055.00</b>	<b>937.00</b>
<b>Statement of Financial Position</b>									
<b>Total Assets</b>	<b>5,772.00</b>	<b>5,530.00</b>	<b>5,258.00</b>	<b>4,938.00</b>	<b>4,587.00</b>	<b>4,136.00</b>	<b>3,507.00</b>	<b>2,623.00</b>	<b>2,209.00</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Shareholder's Equity</b>	<b>5,773.00</b>	<b>5,530.00</b>	<b>5,258.00</b>	<b>4,939.00</b>	<b>4,588.00</b>	<b>4,137.00</b>	<b>3,507.00</b>	<b>2,624.00</b>	<b>2,210.00</b>

### 5.2.3 Summary of Cashflow the company expect to receive

Unit : Million Baht	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Set up REJV and increase share capital in REJV <sup>1</sup>	(0.10)	(84.23)	(67.82)	(15.78)	(100.27)	(141.08)	(19.56)	-	-	-
Shre disposition REJV	-	0.05	-	500.79	-	166.82	-	-	-	-
(inject) / Repay loan to REJV <sup>1</sup>	-	(1.66)	(15.24)	(130.05)	(224.94)	209.75	(32.50)	(33.15)	-	-
Interest receive from loan	-	0.04	0.49	4.31	13.65	14.05	9.39	11.12	11.99	11.99
Dividend from REJV <sup>2</sup>	-	-	-	-	-	-	-	-	-	-
Unit : Million Baht	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Interest receive from loan	11.99	11.99	11.99	11.99	11.99	11.99	11.99	11.99	11.99	11.99
Dividend from REJV <sup>2</sup>	-	-	-	-	-	-	-	-	-	-
Unit : Million Baht	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
(inject) / Repay loan to REJV <sup>1</sup>	-	82.65	145.15	-	-	-	-	-	-	-
Interest receive from loan	11.99	9.81	3.93	0.11	-	-	-	-	-	-
Dividend from REJV <sup>2</sup>	-	-	-	145.94	147.48	161.44	10.62	166.37	182.08	189.60
Unit : Million Baht	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Dividend from REJV <sup>2</sup>	186.25	203.92	212.37	208.60	228.48	237.98	-	-	-	-
Unit : Million Baht	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065
Dividend from REJV <sup>2</sup>	-	172.59	266.42	293.90	306.65	298.37	329.51	344.06	334.61	369.27
Unit : Million Baht	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075
Dividend from REJV <sup>2</sup>	383.75	373.50	412.69	429.37	418.23	461.01	480.15	466.50	515.02	535.46
Unit : Million Baht	2076	2077	2078	2079	2080	2081	2082	2083	2084	
Dividend from REJV <sup>2</sup>	522.40	576.26	600.57	585.79	648.43	677.05	664.62	740.89	202.67	
REJV Shareholder's Equity as at end of project life <sup>3</sup>	-	-	-	-	-	-	-	-	331.40	
<b>NPV as of 31 December 2016</b>	<b>84.33</b>									

- Note :
1. IFA considers the assumption of increase share capital and loans based on preliminary agreement in the contract and management's forecast.
  2. Dividend by the share holding proportion of the company in REJV at 15.00%
  3. Shareholder's equity of REJV at the end of the project by the share holding proportion in REJV at 15.00%

From the information above, the expected NPV the Company will receive is **Baht 84.33 Million.**



### **5.3 Investment in OJV**

In the valuation of the expected investment return in OJV, IFA considers the expected cashflow that the company will receive from entering into the transactions in accordance to the conditions in the agreement, and the assumption of the Company's management. The assumptions are:

#### **5.3.1 Assumptions on OJV**

##### *Set up OJV and assumption on source of fund for OJV*

The Company established OJV in 2016 with the share registration of 100,000 Baht. The Company fully paid in and holds all the shares in OJV.

From validating the documents, CPN, as a joint venture, will be responsible for finding the source of fund to operate OJV. From the interview with the Company's management regarding the source of fund for OJV, the IFA was informed that the Company already discussed with CPN and has the framework on the source of fund for OJV. CPN will manage for all the payments of OfficeCo. However, the IFA could not find the document that CPN is obliged to manage OfficeCo to make all the payments to OJV.

##### *Set up of OfficeCo and assumption on disposition of share in OfficeCo*

From the document validation, the Company established the OfficeCo in 2016 with the share register 100,000 Baht which is fully paid in and the Company holds all the shares in OfficeCo.

From the interview with the Company's management, the Company plans to sell all of its shares in OfficeCo to CPN in 2017. As such, the company has no obligation to find the source of fund for OfficeCo to run the business.

However, IFA could not find the contract that could refer that company can sell the common stock of OfficeCo to CPN; and CPN has the obligation to purchase the common stock of OfficeCo.

##### *Cash in flow from land lease right assignment to OJV*

By reviewing the lease right assignment agreement between the Company and OJV, it is indicated that the OJV shall make payment in compensation to earn the land lease right from the Company for the amount of Baht 100.00 Million.

#### **5.3.2 Other Assumptions for OfficeCo**

##### *Cash in flow and out flows from land lease*

OJV will directly enter into the land lease agreement with CPB by making an advanced rental payment for the amount of 519.51 million Baht in July 2017, and making the rest payment of approx. Baht 2,078 Million (present value) annually for 60 years with 6% p.a. interest rate from July 2024.

OfficeCo will enter into land sub-lease agreement to sub-lease the land from OJV by making an advance rental payment for the amount of 519.51 million Baht in July 2017, and making the rest payment of approx. Baht 2,078 Million (present value) annually for 60 years with 6% p.a. interest rate from July 2024.

The land lease between CPB and OJV and the sublease agreement between OJV and OfficeCo have similar amount and payment terms. In OJV point of view, the cash in flow and out flow will have same value.

Expense relating to the land lease right

IFA considers the assumption on the fee from land lease registration at 1.00% of the total rent in accordance to the relevant the law for the land lease between CPB and OJV, and the sub-lease land between OJV and OfficeCo.

IFA considers the assumption on stamping fee to register the land lease at 0.10% of the total rent according to the law for the land sub-lease between OJV and OfficeCo. From the interview with the management and legal consultant, the land lease between CPB and OJV will not subject to pay for the stamping fee as it is on the exemption for having CPB as contract counterpart.

From the interview with the Company's management, the company will dispose all the shares in OfficeCo to CPN. The Company will not have obligation to find the source of fund to OfficeCo to pay for any fees relating to the land lease registration of OfficeCo.

Discount rate

For the investment in OJV, company does not invest in project development. The main cash flow to company is from direct payment. Therefore, IFA considers applying Weighted Average Cost of Capital (WACC) as a discount rate for calculating cash flow from OJV. Details are in attachment 5, item 3.

**5.3.3 Summary of Cash flows projection**

Unit : Million Baht	2016	2017	2018	2019	2041
Set up of OJV <sup>1</sup>	(0.10)	-	-	-	-
Shareholder's Equity of OJV at the end of the projec <sup>2</sup>	-	-	-	-	0.10
Set up of OfficeCo <sup>1</sup>	(0.10)	-	-	-	-
Share disposition in OfficeCo	-	0.10	-	-	-
Transfer lease land right to OJV	-	100.00	-	-	-
<b>Total</b>	<b>(0.20)</b>	<b>100.10</b>	<b>-</b>	<b>-</b>	<b>0.10</b>
<b>NPV as of 31 December 2016</b>	<b>94.27</b>				

- Note:
1. IFA considers the assumption on increase share on 31 December 2016 for valuation purpose
  2. Shareholder's Equity of OJV at the end of the project by the proportion of company's share holding at 10.00%

From the information above, the expected NPV that the company will receive is Baht 94.27 Million.

#### 5.4 Summary of the Valuation

The valuation of entering into the investment transactions of acquisition and disposition of assets can be summarized in value as follow;

Transaction	Unit : Million Baht
Investment in HRRJV	611.14
Investment in REJV	84.33
Investment in OJV	94.27
<b>Total</b>	<b>789.74</b>

From the table above, by entering into the acquisition and disposition of assets, the Company will has the total NPV for the amount of Baht 789.74 Million. The IFA sees that entering into the transactions of acquisition and disposition of assets **is appropriate**.

By chaging of the discount rate will impact to the valuation of the acquisition and disposition transactions, IFA provide the sensitivity analysis to present the changing in the valuation by the impact of changing the discount rate detailed as follow;

Discount Rate Change Increase/ (Decrease)	Investment Transactions			Total
	HRRJV	REJV	OJV	
<b>(1.00%)</b>	700.18	89.52	95.17	<b>884.87</b>
<b>(0.50%)</b>	653.68	86.87	94.71	<b>835.26</b>
<b>-</b>	611.14	84.33	94.27	<b>789.74</b>
<b>0.50%</b>	572.06	81.90	93.82	<b>747.79</b>
<b>1.00%</b>	536.02	79.57	93.38	<b>708.98</b>

By changing the discount rate in the sensitivity analysis, the expecting value for the company to get is in the range from 708.98 million Baht to 884.87 million Baht.

#### **Observation**

Nevertheless, from the land lease contract between company and CPB, company has the right to make the remaining land lease payment prior to the due period. Company inform that if follow to the plan, the remaining land lease payment should be able to be paid in 2024. From the IFA base case in this report, HRRJV can realise profit from selling residence units and from lease shopping bareshell in that year. This allows dividend payout to the shareholders by no need to gradually pay dividend over the 60 years land lease contract. As a result, the Net Present Value of the dividend and expect return from investment in the HRR project; net with from company's investment is valued around 1,600 milliion Baht. (refer to company's financial advisor, IFA is allowed from the company's financial advisor to disclose the analysis)

**IFA Opinion**

IFA opines that, according to the Land Lease Agreement between CPB and DTC, the remaining land lease payment to CPB shall be paid from both HRRJV and OJV at the same time. In this case, IFA opines that HRRJV can save 6% p.a. of interest payment as per the land lease agreement which will result in positive impact to not only expected cash flow projection but also the net present value as per IFA's assumption mentioned above. Moreover, HRRJV will enable to pay dividend earlier as per condition in 5.1.

## **Section 6 : Conclusion of Independent Financial Advisor's Opinion**

The conclusion of Independent Financial Advisor's opinion by considering advantages, disadvantages and risks from entering into the transaction is as follows:

Advantages of entering into the transaction being the enhancement of the Company's value because the Company was granted the right to lease the land for the next 30 years and the right to extend the lease agreement for another 30 years (60 years in total), therefore, these can create continuous cash flow from operations. The Company and its joint venture companies will receive cashflow from the investors. In addition, due to the fact that the new development project will be composed of different types of real estate—hotel, residence, retail shopping mall and office building, it enables the joint venture companies to utilize cashflow from a given real estate as a source of fund for other projects. To cite an example, HRRJV is able to utilize cashflow earned at the early stage of selling of the residence units and leasing bare shell of retail shopping center for other investments. The Company will also have an opportunity to develop its competitiveness in other type of property, compared to current status that the Company has only hotel business.

Disadvantages of entering into the transaction is that the Company will seek for its funding from financial institutions especially in an early stage of the project development, or the Dusit Thani Bangkok has to cease its operations during the construction period of approximately 3-4 years which caused the Company to have no income from Dusit Thani Bangkok Hotel in such period.

As for risks from entering into the transaction, it is the delay in selling the residence. However, from the forecasted cashflow is still sufficient and HRRJV is able to find the source of funds without requiring additional cashflow from the Company. The risk from project construction delay may cause the total return on investment be significantly different from the analysis (details in Section 1 – page 6) or the risk from the Company not having OfficeCo Share Purchase Agreement and may cause the Company to invest in OfficeCo at 25% stake. As a result, the Company will need to seek for additional source of funds for the development of the project.

Nevertheless, according to the interviews with the Company's management, the Company has no intention to invest in the Office project. Both parties have negotiated and agreed that CPN shall be the sole constructor and developer. Both parties shall, also, ensure that the remaining shares, as stipulated in the drafted Share Purchase Agreement, will be sold and purchased. However, in a case where the Office project raises its fund while the Company still holds 25% of the shares, the Company shall not be required to additionally invest in the Office project.

The forecast cash flow estimation after entering into the transaction of the acquisition and disposition of the assets to be of Baht 789.74 Million (Net Present Value), of which Baht 611.14 Million is from the investment in HRRJV, Baht 84.33 Million is from the investment in REJV, and Baht 94.27 Million is from the investment in OJV.

Having considered the reasons given above, the IFA has an opinion that **the Acquisition and Disposal of Assets of Mixed-Use Project is appropriate**. Therefore, the IFA **recommends the shareholders to approve the transaction**.

*Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets*

In deciding whether to approve the Assets Disposal Transaction, the Company's shareholders can consider the information, the reason, and the opinion on each issue as the IFA summarized in this report. However, the decision to approve or disapprove depends on the Company's shareholders discretion.

Despite that fact that the appointed Independent Financial Advisor has thoroughly and carefully verified the Company-given information and relevant documents, there might be commercially sensitive information that cannot be disclosed in this report for it may affect the Company and its business alliances such as details of capital increase, some part of land rental, rental of Bare shell of Retail Shopping Center and details of share purchase related to HRRJV and REJV. However, after a due consideration from the IFA, there shall be no impact on the IFA's opinion.

Silom Advisory Company Limited, as the Independent Financial Advisor, hereby certifies that the IFA has considered and studied the information with the prudence and reasonableness according to professional conduct and have opined based on reasonableness and fair basis by taking into account the interest of the Company's shareholders.

Yours sincerely

*-Pitak Kittiakrasatien-*

*-Pipath Kittiakrasatien-*

.....  
(Mr. Pitak Kittiakrasatien)

Managing Director

.....  
(Mr. Pipath Kittiakrasatien)

Operation Controller

**Attachment 1: Summary Information of Dusit Thani Public Company Limited**

**1. General information**

Company name	:	Dusit Thani Public Company Limited
Registration date (as Public Limited Company)	:	30 June 1993
Registration number	:	0107536000617
Address	:	946 The Dusit Thani Building, 5th Floor, Rama IV Road, Silom, Bangrak, Bangkok 10500
Registered capital	:	Baht 850,000,000, divided to 850,000,000 ordinary shares at Baht 1.00 par value each
Issued and paid-up capital	:	Baht 850,000,000, divided to 850,000,000 ordinary shares at Baht 1.00 par value each
Type pf Business	:	Hotel, Hotel Management, Office Building and Education

**2. Nature of business**

**Hotel Business**

The Company operates 4-5-star hotels and other related services: room, food and beverage, catering, meeting and seminar rooms and other hotel's facilities under Dusit Thani Public Company Limited, Dusit Thai Properties Public Company Limited, Dusit Management Co., Ltd., Dusit Thani Freehold and Leasehold Property Fund, Philippine Hoteliers, Inc. and DMS Property Investment Private Limited. The hotels are Dusit Thani Bangkok, Dusit Thani Pattaya, Dusit Princess Chiang Mai, Dusit Princess Srinakarin, Dusit Princess Korat, Dusit Thani Laguna Phuket, DusitD2 Chiang Mai, Dusit Thani Hua Hin, Dusit Thani Manila, Dusit Thani Maldives. The majority hotel revenues are room, food and beverage and others.

**Hotel Management Business**

The Company manages the 5-star hotels and resorts under the brand "Dusit Thani" includes the grant to use the trademark "Dusit Thani" (Licensing) under the standard of service provision controlled by the Company. All hotel management and licensing agreements are entered into by Dusit Thani Plc.: "DusitD2 hotels and resorts", "Dusit Devarana Hotels and Resorts", Dusit Princess Hotels and Resorts", Dusit Residence Hotels and Resorts"

**Rental Business - Office building**

The Company operates commercial buildings for rent as offices. The building is located on an area rented from the Crown Property Bureau, next to the building of Dusit Thani Hotel Bangkok. The building has 11 floors. The tenants are companies, both from Thailand and abroad. The total area of the building is 13,245.54 square meters and the basement area is 336 square meters.

### **Spa Business**

The company operates a health-spa under the brand "Devarana Spa", with a selection of various herbs and essential oils to blend into the skin. The Company has experienced and skillful therapists for the treatment and available in a wide variety treatments, such as avant-garde massage, Swedish massage, Ayurvedic massage, deep cleansing treatment steam with Thai herbs, polished skin. Today, the Company operates 4 spas in Thailand and 5 spas in aboard.

### **Education business**

The Company has set up an education department to expand its business and training to various provinces in the country and aboard which Dusit Thani Hotels are located, in order to produce qualified workers to work in hotels in the Dusit Group. The education business consists of Dusit Thani College, Le Cordon Bleu Dusit Culinary School, Dusit Thani Hotel School and Philippine Hoteliers International Center for Hospitality Education, Inc.

### **3. The Board of Directors of the Company as at 1 March 2017**

<b>No.</b>	<b>Name</b>	<b>Position</b>
1.	Mr. Arsa Sarasin	Chairman and Independent Director
2.	Mr. Chanin Donavanik	Vice President and Chairman of the Executive Committee
3.	Mrs. Suphajee Suthumpun	Director, Group Chief Executive Officer and Executive Director
4.	Mr. Vichit Chinwongworakul	Director
5.	Mrs. Varang Chaiyawan	Director
6.	Mr. Kenneth Korsirisophon	Director
7.	Mrs. Sinee Thienprasiddhi	Director and Executive Director
8.	Professor Hiran Radeesri	Independent Director and Audit Committee Chairman
9.	Mrs. Pranee Phasipol	Independent Director and Audit Committee Member
10.	Dr.Kittipong Kittayarak	Independent Director and Audit Committee Member
11.	Mr. Pakhawat Kovithvathanaphong	Independent Director
12.	Professor Emeritus Dr. Khunying Suchada Kiranandana	Independent Director

### **4. Rank of first 10 major shareholders as of 16 March 2017**

<b>Rank</b>	<b>Major Shareholders</b>	<b># Shares</b>	<b>% Shares</b>
1.	Chanut and Sons Co., Ltd.	424,475,680	49.94
2.	MBK Hotels and Resorts Co., Ltd.	99,186,000	11.67
3.	UOB Kay Hian (Hong Kong) Limited - Client Account (PIONEER INETWORK LIMITED)	86,917,720	10.23
4.	Mr. Vichit Chinwongvorakul and related person	52,019,000	6.12



Rank	Major Shareholders	# Shares	% Shares
5.	Mr. Chatri Sophonpanich and related person	42,540,330	5.01
6.	Thai NVDR Co., Ltd.	25,112,940	2.95
7.	Thai Life Insurance PCL	21,882,430	2.57
8.	Citibank Nominees Singapore Pte. Ltd. – BPG Clients H.K.	11,931,000	1.40
9.	Mr. Sahanun Chaintrakoon	8,910,000	1.05
10.	Office of the Privy Purse	4,950,000	0.58
11.	Others	72,074,900	8.48
<b>Total</b>		<b>850,000,000</b>	<b>100.00</b>

## 5. Financial Statements and Performance Analysis

### 5.1 Financial Statement

#### Statement of financial position

Unit: Million Baht	Consolidated Financial Statements as at 31 December			
	2013	2014	2015	2016
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	931.23	859.76	714.28	870.33
Short-term investments	59.14	150.58	380.18	357.73
Trade and other receivables	472.34	426.46	475.03	462.59
Inventories	89.99	84.75	79.62	77.03
Current portion of prepaid rental of land and buildings	105.62	105.77	109.07	90.78
Other current assets	59.39	53.95	58.94	54.48
<b>Total current assets</b>	<b>1,717.72</b>	<b>1,681.26</b>	<b>1,817.06</b>	<b>1,912.94</b>
<b>Non-current assets</b>				
Restricted bank deposits	1.50	1.96	2.18	2.20
Available-for-sale investments	358.58	375.20	356.44	364.96
Other long-term investments	-	-	-	-
Investments in associates	1,310.21	1,311.95	1,404.71	1,370.32
Investments in joint ventures	-	56.72	52.52	54.03
Long-term loans to related parties	-	-	39.55	75.42
Investment properties	273.46	259.86	246.50	232.89
Property, plant and equipment	5,080.09	4,876.98	5,107.90	4,689.59
Prepaid rental of land and buildings	311.69	224.77	154.28	75.46
Other intangible assets	67.84	70.70	61.77	60.36
Deferred tax assets	129.15	110.11	100.95	150.74
Deposit for hotel management right	25.27	25.27	25.27	25.27
Other non-current assets	20.63	17.62	19.35	18.80
<b>Total non-current assets</b>	<b>7,553.16</b>	<b>7,331.13</b>	<b>7,571.41</b>	<b>7,120.03</b>
<b>Total assets</b>	<b>9,270.89</b>	<b>9,012.39</b>	<b>9,388.48</b>	<b>9,032.98</b>

Unit: Million Baht	Consolidated Financial Statements as at 31 December			
	2013	2014	2015	2016
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Bank overdrafts and short-term loans from financial institutions	662.70	639.00	538.00	461.63
Short-term loans from related party	13.11	4.61	5.05	5.01
Trade and other payables	1,010.52	998.63	962.43	972.58
Current portion of finance lease liabilities	0.77	0.94	1.15	1.24
Current portion of long-term loans	185.20	241.07	324.37	157.25
Current portion of deferred rental revenue	25.43	25.43	25.43	25.43
Income tax payable	9.37	0.60	2.26	8.43
Liabilities under rental guarantee	74.13	86.31	-	-
Deferred gain on sales of assets held for sale	-	6.90	-	-
Others current liabilities	50.73	47.37	61.11	62.77
<b>Total current liabilities</b>	<b>2,031.96</b>	<b>2,050.85</b>	<b>1,919.81</b>	<b>1,694.34</b>
<b>Non-current liabilities</b>				
Finance lease liabilities	-	3.97	3.11	1.87
Long-term loans	1,091.91	900.39	1,177.11	1,052.57
Deferred rental revenue	660.71	635.27	609.84	584.41
Deferred tax liabilities	13.78	12.53	20.05	42.76
Employee benefit obligations	175.36	174.89	205.75	221.30
Liabilities from investment in joint venture	-	-	36.11	62.25
Other non-current liabilities	22.39	22.36	19.42	19.38
<b>Total non-current liabilities</b>	<b>1,971.06</b>	<b>1,749.43</b>	<b>2,071.40</b>	<b>1,984.54</b>
<b>Total liabilities</b>	<b>4,003.01</b>	<b>3,800.28</b>	<b>3,991.21</b>	<b>3,678.89</b>
<b>Equity</b>				
Authorised share capital	850.00	850.00	850.00	850.00
Issued and paid-up share capital	850.00	850.00	850.00	850.00
Treasury shares	(15.74)	(15.74)	(15.74)	(15.74)
Additional paid in capital				
Premium on ordinary shares	1,643.00	1,643.00	1,643.00	1,643.00
Surplus on treasury shares	18.37	18.37	18.37	18.37
Retained earnings				
Legal reserve	85.00	85.00	85.00	85.00
Dusit Thani College funds	269.78	315.89	366.37	414.95
Treasury share reserve	15.74	15.74	15.74	15.74
Unappropriated	1,489.82	1,342.69	1,394.12	1,341.99
Other components of equity	174.43	188.34	236.34	235.67
Equity attributable to owners of the Company	<b>4,530.40</b>	<b>4,443.29</b>	<b>4,593.20</b>	<b>4,588.98</b>
Non-controlling interests	737.48	768.82	881.26	765.11
<b>Total equity</b>	<b>5,267.87</b>	<b>5,212.11</b>	<b>5,404.46</b>	<b>5,354.09</b>
<b>Total liabilities and equity</b>	<b>9,270.89</b>	<b>9,012.39</b>	<b>9,388.48</b>	<b>9,032.98</b>

**Statement of comprehensive income**

Unit : Million Baht	Consolidated Financial Statements for the year ended 31 December			
	2013	2014	2015	2016
Revenue from sales and services	5,012.96	4,675.48	4,895.15	4,974.35
Cost of sales and services	(2,967.12)	(2,902.86)	(2,901.95)	(2,915.21)
Cost of services - depreciation and amortisation	(565.68)	(618.38)	(643.92)	(661.69)
<b>Gross profit</b>	<b>1,480.16</b>	<b>1,154.23</b>	<b>1,349.28</b>	<b>1,397.45</b>
Total other income	217.02	499.22	474.44	450.78
Selling expenses	(309.32)	(394.78)	(387.96)	(404.60)
Administrative expenses	(1,177.36)	(1,110.27)	(1,048.73)	(1,186.38)
Depreciation and amortisation	(40.71)	(43.42)	(45.11)	(43.06)
Loss on sales of equipment	-	(5.12)	-	-
Finance costs	(70.93)	(64.44)	(49.39)	(72.83)
<b>Profit (loss) before income tax</b>	<b>221.98</b>	<b>35.43</b>	<b>292.51</b>	<b>141.36</b>
Income tax income (expense)	(24.35)	(22.18)	(39.41)	11.55
<b>Profit (loss) for the year</b>	<b>197.63</b>	<b>13.25</b>	<b>253.10</b>	<b>152.91</b>
<b>Profit (loss) attributable to:</b>				
Owners of the Company	163.70	(20.64)	199.19	114.12
Non-controlling interests	33.92	33.89	53.91	38.79
<b>Total</b>	<b>197.63</b>	<b>13.25</b>	<b>253.11</b>	<b>152.91</b>
<b>Basic earnings (loss) per share* (Baht)</b>	<b>0.194</b>	<b>(0.024)</b>	<b>0.236</b>	<b>0.135</b>

Remark: \* the Company registered the reduction in par value of the Company issued and paid-up ordinary share from Baht 10 par value each, totaling 85 million shares to Baht 1 par value each, totaling 850 shares with the Misnistry of Commerce on 16 May 2016. Therefore, the retrospective adjustment of number of shares in calculation of basic earnings per share is required.

**Statement of cash flows**

Unit : Million Baht	Consolidated Financial Statements for the year ended 31 December			
	2013	2014	2015	2016
<b>Cash flows from operating activities</b>				
Profit (loss) for the year	197.63	13.25	253.10	152.91
<b>Adjustments for</b>				
Realised income from deferred rental revenue	(25.43)	(25.43)	(25.43)	(25.43)
Interest income	(9.39)	(8.43)	(12.96)	(12.70)
Dividend income	(13.33)	(14.72)	(14.45)	(15.76)
Bad debts and doubtful accounts (reversal)	5.95	(7.46)	8.80	0.95
Depreciation of plant and equipment	576.94	633.14	659.85	678.12
Depreciation of investment properties	11.17	13.89	13.90	10.67
Amortisation of other intangible assets	10.92	14.77	15.28	15.96
Loss on written off withholding tax	12.35	0.20	16.61	19.39
Amortisation of prepaid rental of land and buildings	103.75	105.34	106.47	102.81
Employee benefit obligations	29.85	31.21	28.82	48.93

Unit : Million Baht	Consolidated Financial Statements for the year ended 31 December			
	2013	2014	2015	2016
Share of profits from investments by the equity method	(91.04)	(74.69)	(40.62)	(22.08)
Gain on liquidated subsidiary	(0.07)	-	-	-
Loss (gain) on sales of equipment	(1.44)	5.12	(2.65)	(0.93)
Loss on equipment written off	29.53	44.82	4.34	12.02
Realised deferred gain on sales of assets held for sale	-	-	(6.90)	-
Reversal of impairment on property, plant and equipment	(3.88)	(5.32)	-	-
Loss on sales of other intangible assets	0.29	0.24	0.0	0.0
Finance costs	70.92	64.47	49.39	72.83
Income tax expense (income)	24.35	22.18	39.41	(11.55)
<b>Changes in operating assets and liabilities</b>				
<b>Operating assets (increase) decrease</b>				
Trade and other receivables	(30.61)	72.39	(31.79)	6.32
Inventories	(3.57)	4.20	7.35	1.33
Other current assets	(22.05)	(39.33)	(0.94)	(1.78)
Other non-current assets	(1.50)	(0.65)	(8.81)	(0.37)
<b>Operating liabilities increase (decrease)</b>				
Trade and other payables	53.22	22.43	(86.98)	50.98
Liabilities under rental guarantee	5.67	12.18	(86.31)	-
Other current liabilities	(19.14)	0.62	12.12	(1.62)
Other non-current liabilities	3.53	20.96	(2.94)	(0.04)
Payment for employee benefit obligations	(15.10)	(21.51)	(15.86)	(26.39)
<b>Cash generated from operating activities</b>	<b>851.86</b>	<b>863.17</b>	<b>863.24</b>	<b>(1,020.43)</b>
<b>Cash flows from investing activities</b>				
Interest income	7.84	8.44	8.18	10.07
Proceeds (payments) for short-term investments	10.00	(88.44)	(229.60)	22.45
Payments for long-term loans to related parties	-	-	(36.36)	(35.99)
Increase in restricted bank deposits	(0.12)	(0.46)	(0.22)	(0.02)
Dividend received from joint venture	12.00	24.99	28.99	27.99
Dividend received from associate	87.89	90.47	82.35	56.54
Dividend received	13.33	14.72	14.45	15.76
Payments for shares in subsidiaries	-	-	(60.83)	(87.05)
Payment of share subscription to joint venture	(46.76)	(28.37)	-	-
Payments of share subscription to associate	-	-	(122.79)	-
Purchase of investment properties	(0.19)	(0.28)	(0.54)	(0.73)
Proceeds from sales of equipment	5.01	0.33	3.90	1.05
Purchases of equipment	(541.11)	(511.50)	(675.29)	(345.78)
Purchases of other intangible assets	(9.87)	(12.93)	(5.88)	(2.18)
Payment for prepaid rental of land and buildings	-	(18.26)	(31.59)	(6.64)
<b>Net cash used in investing activities</b>	<b>(461.98)</b>	<b>(521.28)</b>	<b>(1,025.20)</b>	<b>(344.52)</b>
<b>Cash flows from financing activities</b>				
Proceeds from short-term loans from financial institutions	653.99	489.50	421.00	527.01

Unit : Million Baht	Consolidated Financial Statements for the year ended 31 December			
	2013	2014	2015	2016
Repayments of short-term loans from financial institutions	(644.71)	(513.20)	(522.00)	(604.00)
Repayments of short-term loans from a related party	-	(8.51)	-	-
Repayments of finance lease liabilities	(0.49)	(0.77)	(1.09)	(1.15)
Proceeds from long-term loans	-	50.13	515.85	-
Repayments of long-term loans	(150.23)	(191.69)	(258.00)	(254.24)
Interest paid	(67.80)	(68.75)	(49.57)	(72.76)
Dividend paid	(88.12)	(90.85)	(91.00)	(105.25)
<b>Net cash provided by (used in) financing activities</b>	<b>(297.36)</b>	<b>(334.16)</b>	<b>15.18</b>	<b>(510.39)</b>
<b>Cash and cash equivalents increase (decrease)</b>	<b>92.52</b>	<b>7.72</b>	<b>(146.78)</b>	<b>165.52</b>
Cash and cash equivalents as at 1 January	748.75	847.64	859.76	714.23
Effect of exchange rate changes on balances held in foreign currencies	6.37	4.39	1.25	(9.41)
<b>Cash and cash equivalents as at 31 December</b>	<b>847.64</b>	<b>859.76</b>	<b>714.23</b>	<b>870.33</b>

### Financial Ratios

Financial Ratio		Consolidated Financial Statements as at 31 December			
		2013	2014	2015	2016
<b><u>Liquidity ratio</u></b>					
Liquidity ratio	time	0.82	0.82	0.95	1.13
Quick ratio	time	0.66	0.70	0.82	1.00
Cash flow ratio	time	0.43	0.43	0.44	0.57
Turnover ratio of trade receivables	time	16.40	16.09	19.50	22.11
Average collection period	day	22.26	22.37	18.46	16.29
Inventory turnover	time	33.04	33.42	35.31	37.22
Average selling time	day	11.05	10.77	10.20	9.67
Turnover rate of creditors	time	12.90	15.21	18.49	19.90
Repayment period	day	28.30	23.67	19.47	18.09
Cash cycle	day	5.00	9.47	9.19	7.86
<b><u>Profitability ratio</u></b>					
Gross margin	%	29.05	24.69	27.56	28.09
Net profit margin	%	3.07	(0.26)	4.71	2.82
Return on equity	%	3.68	(0.46)	4.41	2.49
<b><u>Efficiency ratio</u></b>					
Rate of return on assets	%	3.10	1.00	3.58	2.19
Return on Fixed Assets	%	14.10	12.34	17.21	16.96
Rotation rate of assets	time	0.58	0.57	0.58	0.59
<b><u>Financial policy ratio</u></b>					
Debt to equity ratio (excluded deferred rental revenue)	time	0.62	0.60	0.62	0.57
Debt to equity ratio	time	0.75	0.73	0.74	0.69
Interest Capability Ratio	time	12.01	14.74	19.27	14.85

## 6 Performance Analysis

### 6.1 Performance

#### Revenue

The Company has total revenue for the year ended 31 December 2016 of Baht 5,425.1 million, increased from last year by 1%, details were as follows:

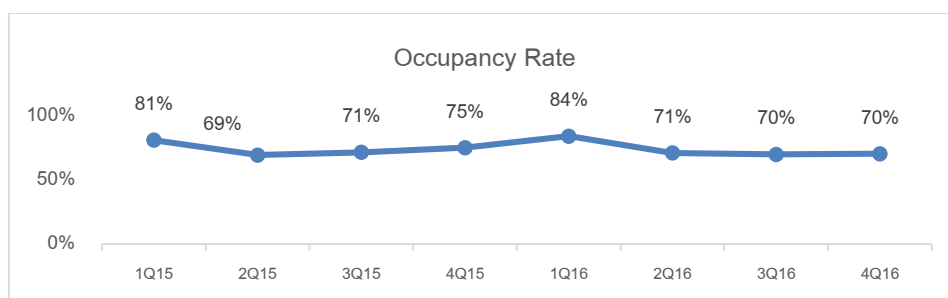
#### Hotel Business

Major revenue of the Company comes from hotel business of 82% of total revenue. In 2016, the hotels' revenue increased by 1% per the following details:

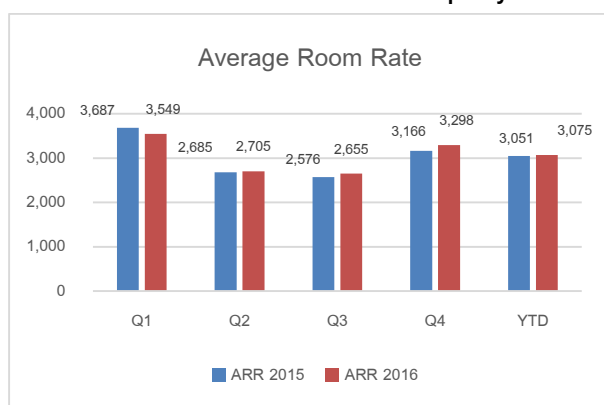
Hotels in Thailand, the revenue compared to the same period of last year lower by 2.8%, resulting from the decreases of average room rate and catering due to high competition at Dusit Thani Pattaya.

Hotels under DTCPPF, revenue decreased from last year by 4.4%, with major factor from Dusit Thani Hua Hin which had low occupancy rate, dropping from 67.6% to 65.4% because of reducing number of Indian tourists and catering and from Dusit Thani Laguna Phuket which had decreasing in occupancy rate and revenue from restaurants.

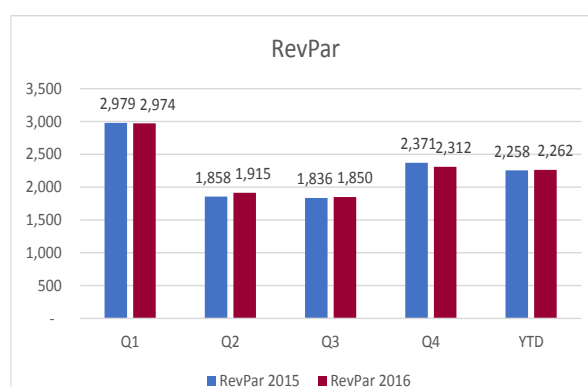
In 2016, the occupancy rate was 73.6%, slightly decreased from 2015. However, the average room rate was Baht 3,075, lightly increased from last year, causing by competitive pricing strategy to attract long-stay tourists. The RevPar was Baht 2,262, slightly higher than 2015.



Occupancy Rate Hotels in Thailand of the Company

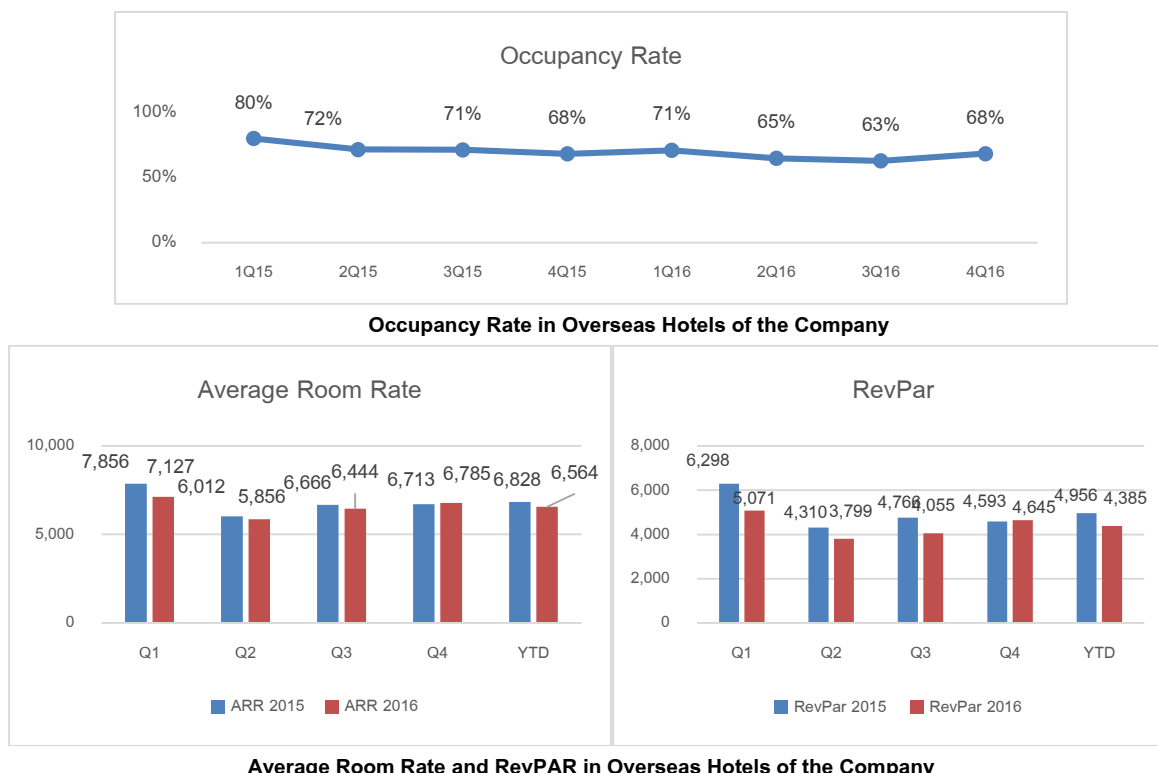


Average Room Rate and RevPAR Hotels in Thailand of the Company



Overseas hotels had increasing revenue compared to last year by 8.3%, as a result of a completion of major renovation that caused some rooms and restaurants partially closed in Dusit Thani Manila earlier.

The occupancy rate was decreased in consequence of Dusit Thani Manila's major renovation causing not enough available rooms to customers' demand. This affected to the average room rate and RevPar decreased from 2015.



#### Hotel Management Service

For 2016, income from hotel management service was Baht 147.6 million, increased by 18.9% from last year because of newly-opened hotel, Dusit Thani Guam in late 2015.

Income from hotel management service has positive future trend, as in 2016, it increased by 2.72% of total revenues.

#### Education Business

The education business is one of the strengths among all businesses of the Company that generated profit. Revenue incurred from this business decreased from last year by 1.3%, or 7.4% of total revenue of the Company, but it can generate profit of Baht 35.5 million, or 22% of net profit. This outcome derived from the first year of learning semester change across Asean countries of Dusit Thani College, started from 2016.

For the performance of education business for the year ended 31 December 2016, the revenue was Baht 442.0 million, increased from last year by Baht 5.4 million, or 1.2%, comprised Dusit Thani College Baht 9.6 million, and Dusit Thani Hotel Studies Co., Ltd. Baht 6.2 million. However, licensing fee from Yayasan decreased Baht 21.1 million which was one-time service to Education Institution in Bali, Indonesia in 2015.

#### Other Businesses

Income from other businesses was Baht 362.2 million, increased from last year by Baht 0.7 million, or 0.2%, consisting of realized deferred gain on sales of asset held for sale, share profit from investments by the

equity method from Dusit Fudu Hotel Management (Shanghai) Co., Ltd., Le Cordon Bleu Dusit Co., Ltd. and DTCPF, and gain from currency exchange,

However, the technical service fee for new projects and other income from hotels were decreased.

#### **Costs of Sales and Services**

Costs of sales and services were Baht 3,576.9 million in 2016, increased from last year by 0.9%. The amount comprised the following: (1) direct costs of sales and services, e.g. cost of room service, cost of food and beverages, salary and employee benefits, etc. of Baht 2,915.2 million. This was a decrease from last year by 0.5%. (2) cost of services – depreciation and amortization of Baht 661.7 million, increased from last year by 2.8%.

#### **Selling and Administrative Expenses**

In 2016, selling expenses was Baht 404.6 million, increased from last year by 4.3%, mostly are from advertising and public relation expenses. Administrative expenses was Baht 1,186.4 million for 2016, increased by 13.1%, as the Company continued investment in resources to support future business expansion. The selling and administrative expenses represented 32% of revenue from sales and services in 2016, and 29.3% in 2015. Meanwhile, the hotel school under Dusit Thani Hotel Studies Co., Ltd. opened in late 2015 and was the second year of operation, it had total expenses of Baht 19.6 million and still does not cover its revenue.

## **6.2 Financial Position**

### **6.2.1 Assets**

As of 31 December 2016, the Company's total assets were Baht 9,033.0 million, with a decrease of Baht 355.5 million, or 4% from 2015. Key movements were as follows:

1. Property, plant and equipment decreased by Baht 418.3 million (net), since periodic depreciation was deducted according to charges offset per actual usage of equipments at various properties once renovation activities are completed.
2. Pre-paid rental of land and buildings decreased by Baht 97.1 million, in accordance with amortization during the lease period.
3. Cash and cash equivalent increased by Baht 156.1 million, per actual operation performance.

### **6.2.2 Liabilities**

Total Liabilities at as of 31 December 2016 of Baht 3,678.9 million, decreased from Baht 305.5 million, or 84% from 2015, due to the following:

1. Overdrafts and short-term loans were decreased by Baht 243.5 million.
2. Long-term loans decreased by Baht 124.5 million from repayment of loan principal according to the loan agreements of a subsidiary.



**6.2.3 Equity**

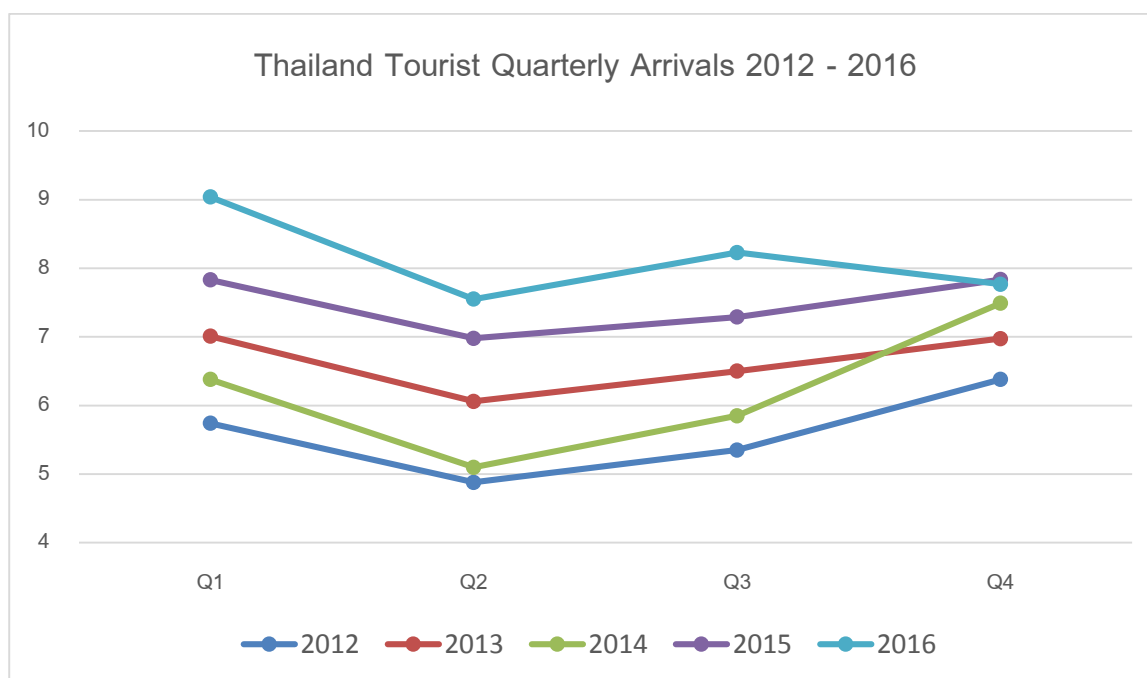
Total Equity at as of 31 December 2016 was Baht 5,354.1 million. The equity shows a net downward movement of Baht 50.4 million, as a result of 2015 dividend payment to shareholders of the Company.

## 7. Industry conditions

Arrivals continued to increase in the first three quarters of 2016, with 9.04 million visitors in the three first months, an increase of 15.45% when compared to 2015. There were 7.55 million visitors in the second quarter, an increase of 8.23% when compared with the second quarter of 2015. This indicated a slight loss of momentum of arrivals (15.45% increase in first quarter, compared to 8.23 % increase in the second quarter). However, 2.3 million visitors arrived in the third quarter, an increase over same time last year by 12.8%.

A crackdown by the Government started towards the end of the third quarter into the fourth quarter against the so-called zero-dollar tours mainly coming out of China whereby tourists were lured by cheap tours to travel to Thailand and once they arrived, they were taken by tour guides to shop at retail stores at highly inflated prices. This invariably led to dissatisfaction and complaints from customers after the tours and would affect Thailand's reputation as a tourist destination. Reportedly also the Chinese tourist authorities wanted this type of tours to be stopped which has had a negative impact on tourism and travel industry with some airlines and hotels seeing a drop in the number of bookings from China especially over the traditional peak period of the October Golden Week according to local media reports.

From the below table, it shows number of tourist arrivals to Thailand comparing to last year. Tourist arrivals to Thailand have increased from 2015 to 9.04 million people during January to March 2016 while decreased its numbers to 7.55 million people in April. However, during July to September, the numbers ramped up to 8.23 million people whereas reducing again during October to December to 7.769 million people.



Source: Bank of Thailand

By overall, there were expansion in number of tourists from China (+10.3% yoy), ASEAN (+9% yoy), Europe (+9.6%) who are from Russia, Spain, East Europe, Germany and France. However, those from East Asia such as Hong Kong, Japan, Taiwan and Korea increasingly came to Thailand with less proportion (+5% yoy). The hotel Occupancy Rate in Thailand was 65.8%, similar to 2015, while Average Room Rate (ARR)

ramped up to Baht 1,343 per night, raising 11% yoy (source: Department of Tourism and Bank of Thailand). The government's suppression policy of zero-dollar Chinese tours had short-term impact causing reduction of Chinese tourists to Thailand during September to December 2016 approximately 475 thousand people, or 5% of total number of Chinese tourists, especially in Pattaya which is the major visiting area. These caused similar overall performance of the Company in 2016 to that of last year.

## **Attachment 2 : Central Pattana Public Company Limited**

### **1 General Information**

Company Name	:	Central Pattana Public Company Limited
Business Overview	:	Develop and invest in retail property and office building for rent.
Head Office	:	30th-33rd Floor, The Offices at Central World
Telephone	:	0-2667-5555
Facsimile	:	0-2264-5593
Registered Capital	:	THB 2,244,000,000, comprising ordinary share of 4,488,000,000 Par value of Baht 0.5 per share
Paid-up Capital	:	THB 2,244,000,000, comprising ordinary share of 4,488,000,000 Par value of Baht 0.5 per share

### **2 Nature of Business**

#### **2.1 Company Profile**

Established on 17th June 1980, to develop and manage large-format and integrated shopping centers, the Company has been listed on the Stock Exchange of Thailand (SET) since 1st March 1995. Its current issued and paid-up share capital is baht 2,244,000,000, of which the majority is held by Central holdings Co., Ltd., and Chirathivat family members.

CPN's core businesses comprise development, management of large-scale shopping complexes, and the provision of retail space for rent, complementing by other supportive businesses under mixed-use concept, which include office building and hotel businesses in a bid to optimize the use of land, diversify income sources, and draw in more customers to shopping centers. CPN also runs related and complementary businesses, such as food centers, multi-purpose convention halls, water parks and recreation parks in some shopping complexes to facilitate shoppers. Services and facilities provided at each complex take into consideration location suitability and the needs of target customers as important factors. Categorized by the source of income, there are six business groups, described as follows:

- (1) Shopping complexes
- (2) Office buildings
- (3) Hotels
- (4) Residential building
- (5) Water parks, ice rink and recreation parks
- (6) Food centers

#### **2.2 Nature of Business**

CPN's project development starts from finding strategic locations, conducting feasibility studies, controlling designs and construction, administering sale, to managing the shopping Complexes/office buildings

after their commercial opening. Also in the scope of work is the provision of utilities, together with security and cleaning services at each site. Regarding the business, CPN has employed expert hotel management companies to manage its hotels for optimum benefit. CPN's business falls into various business groups. Categorized by the source of income, there are six business groups, described as follows:

**1. Shopping Complexes**

CPN's main source of income, the shopping complex business generates over 81% of the total revenue. Income includes rental of retail spaces, utility and security services, cleaning services, rental & services of convention hall, apart from onsite media services at 29 properties – 13 in Bangkok Metropolitan area and its vicinities and 16 in prime provincial areas – of which 25 projects are owned by CPN, with four leased out to CPN Retail growth Leasehold Property fund ("CPNRF"). Other sources of income include the management fee at four property projects under CPNRF and a share of profits from investment in CPNRF. In 2015, CPN launched four new projects – 3 new Greenfield development projects, namely CentralPlaza Rayong, CentralPlaza West Gate, and Central Festival EastVille, and 1 acquisition project, namely CentralFestival Phuket. According to its estimated data, as of 31 December 2015, CPN's earned a 21% market share of the retail industry in Bangkok Metropolitan area with net leasable area of around 1.6 million square meter under the management of CPN and its subsidiaries.

**2. Office Buildings**

The office building business involves the development of office buildings for rent, whereas the office building business not only complements that of the shopping complex, but also adds value to the project from the optimization of land use and enhances efficiency of car park management. The decision to develop an office building depends mainly on supply and demand for office space at each location. Income from the business comprises rental of office space, rental of retail shops in office buildings, and utility service fees.

At present, CPN runs seven projects of office towers, on the premises of CentralPlaza Lardprao, CentralPlaza Pinklao, CentralPlaza Bangna, CentralWorld (The Offices at CentralWorld), CentralPlaza Chaengwattana, and CentralPlaza Grand Rama 9. For office buildings, CPN owns four projects and manages three projects, two projects under CPNRF (Pinklao Tower A and B Office buildings at CentralPlaza Pinklao) and one project under CPNCG (The Offices at CentralWorld). Tenants of office buildings in CentralPlaza Lardprao, CentralPlaza Pinklao, CentralPlaza Bangna, CentralPlaza Chaengwattana, and CentralPlaza Grand Rama 9 projects are mostly operators of businesses benefiting from shopping mall business, such as tutorial schools, language and music schools, beauty parlors, and securities brokerage firms. The Offices at CentralWorld is different because it is a grade A office building located in the heart of the central business district, so most tenants are leading businesses, both Thai and multinational companies.

**3. Hotel**

The hotel business on the same premises of shopping centers naturally complements the retail business in terms of demand and also adds value to overall project by making the most use of properties for the maximum return on investment. Key principles for consideration of hotel investment include project location, demand, supply, surrounding areas, and the project's growth potential. The hotel business comprises guest rooms, foods

and beverages, seminar rooms and convention centers to serve the growth of the MICE (Meeting Incentive Convention and Exhibition) industry.

Currently, CPN owns two hotels. One is the 259-room Centara Hotel Udonthani (formerly known as Charoensri Grand Royal Hotel, a part of Charoensri Complex, acquired by CPN in April 2009) and the other is Hilton Pattaya hotel with 302 rooms (situated on top of CentralFestival Pattaya beach and opened on November 2010). CPN has employed expert hotel management companies, namely Central Plaza Hotel Plc. and Hilton hotel Corporation, to manage Centara Hotel Udonthani and Hilton Pattaya hotel respectively for the maximum benefit.

#### 4. Residential Buildings

The only residential building project currently managed by CPN is Central City Residence Condominium, a 11-unit condominium on the premises of CentralPlaza Bangna. The lease contract for Langsuan Colonade, the 50-unit serviced apartment, expired on September 30, 2015, and the leased asset was transferred to the lessor on the same date. Recognizing the potential of mixed-use development of shopping complex projects, the board approved in September 2015 the investment in condominium projects on the premises of CPN shopping complexes in Chiangmai, Khonkaen and Rayong. These residential projects would maximize the benefit of CPN's core shopping-complex businesses. To this end, a specialized team of executives, experienced personnel and experts was set up to conduct feasibility studies on the development of residential projects and execute other relevant tasks. Construction of the three condominium projects are projected to start in the second quarter of 2016, with about two years of construction period.

#### 5. Water Parks, Ice Rink and Recreation Parks

Water parks, ice rink and recreation parks are supporting businesses for shopping complexes, adding variety to features and services of shopping complexes. Not only can they attract more customers to shopping complexes, but also bring happiness to customers and people in surrounding communities. To make this happen, the size of land and space availability in the project are key. After its suspension for renovation, the water park on the sixth floor of CentralPlaza Bangna was relaunched on November 17, 2015. Designed under the theme of Pororo : The Little Penguin, a highly popular Korean animated character, to create new experiences and fun for customers and their families, the park was named "Pororo Aquapark Bangkok". As for a recreation park, "Central Park", a large-scale recreational park on the premises of CentralPlaza Rama 2, is open to the public and consists of a health park, a children playground, an activity area, and renowned restaurants.

#### 6. Food Centers

Food Centers are considered essential to shopping complexes. They are intended for providing customers with a wide variety of economical and ready-to-serve dishes. CPN earns sizeable income from the sale of food and beverage in food centers.

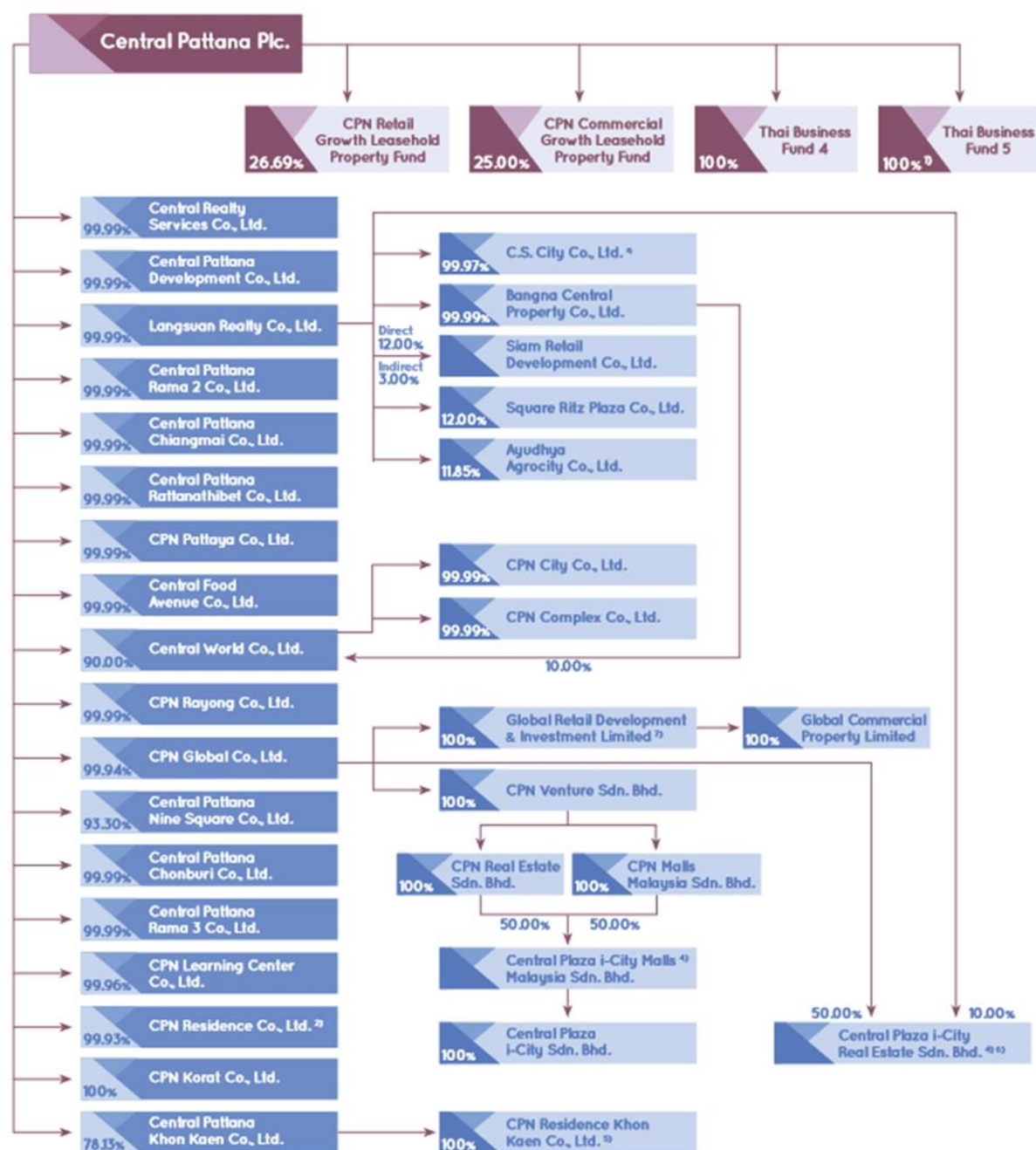
CPN's main source of income, the shopping complex business generates over 81% of the total revenue. Income includes rental of retail spaces, utility and security services, cleaning services, rental & services of convention hall. Other sources of income include the management fee for property projects under CPNRF (CPN Retail Growth Leasehold Property Fund), which are Central Plaza Rama 2, Central Plaza Rama 3, Central Plaza Pinklao, Central Plaza Airport Chiangmai. CPN also manages The Offices at CentralWorld for CPNCG

CPN also runs related and complementary businesses, such as office building, hotel, residence, water parks and recreation parks in some shopping complexes to facilitate shoppers. Services and facilities provided at each complex take into consideration location suitability and the needs of target customers as important factors.

At present, CPN manages 29 Shopping Complexes—13 in Bangkok Metropolitan area and its vicinities and 16 in prime provincial areas—of which 25 projects are owned by CPN, with four leased out to CPN Retail growth Leasehold Property fund (“CPNRF”). CPN also runs seven projects of office towers. For office buildings, CPN owns four projects and manages three projects, two projects under CPNRF (Pinklao Tower A and B Office buildings at CentralPlaza Pinklao) and one project under CPNCG (The Offices at CentralWorld). CPN owns two hotels: Centara Hotel Udonthani and Hilton Pattaya hotel. CPN also owns Central City Residence Condominium, a 11-unit condominium on the premises of CentralPlaza Bangna and 24 food centers as listed below:

Project	Number
1. Shopping Complexes	29
2. Office Buildings	7
3. Hotels	2
4. Residential Buildings	1
5. Food Centers	24

## 2.3 Group Structure of the Company and its Subsidiaries



### Remarks:

- 1) Only proportion unit holder of owner type except unit holders of lender type.
- 2) Formerly CPN Construction Management, changed to CPN Residence Co., Ltd. on October 13, 2015.
- 3) CPN has acquired shares of C.S. City Co., Ltd. on December 1, 2015.
- 4) Two joint venture companies have been restructured as in the announcement to SET on August 6, 2015.
- 5) The company was established on November 20, 2015.
- 6) Central Plaza i-City Real Estate Sdn. Bhd. is the joint venture company in which I-R&D Sdn. Bhd., I-Berhad's subsidiary, holds 40%.
- 7) Registered the dissolution of Central (Shanghai) Management Consulting Co., Ltd. in October 2015.



### 3. Shareholders

Top major shareholders as at April 29, 2016 are\*:

NO.	SHAREHOLDERS	SHARES	SHAREHOLDING (%)
1	CENTRAL HOLDINGS CO., LTD.	1,176,343,960	26.21
2	THAI NVDR CO., LTD.	233,712,857	5.21
3	STATE STREET BANK EUROPE LIMITED	218,128,390	4.86
4	HSBC (SINGAPORE) NOMINEES PTE LTD	131,488,800	2.93
5	BANK OF SINGAPORE LIMITED-SEG	93,025,620	2.07
6	CHASE NOMINEES LIMITED	92,700,861	2.07
7	CREDIT SUISSE AG, HONG KONG BRANCH	77,394,160	1.72
8	HSBC (SINGAPORE) NOMINEES PTE LTD	64,274,141	1.43
9	BARCLAYS BANG PLC, SINGAPORE	62,350,648	1.39
10	SOCIAL SECURITY OFFICE	61,777,000	1.38
11	OTHERS	2,276,803,563	50.73
<b>Total</b>		<b>4,488,000,000</b>	<b>100.00</b>

Note: Par value at THB 0.50

Source: The Stock Exchange of Thailand

### 4. Board of Directors

	Name	Position
1	Mr. Suthichai Chirathivat	Chairman
2	Mr. Preecha Ekkunagul	Director, President & CEO
3	Mr. Kobchai Chirathivat	Director
4	Mr. Sudhitham Chirathivat	Director
5	Mr. Prin Chirathivat	Director
6	Mr. Suthikiati Chirathivat	Director
7	Mr. Sudhisak Chirathivat	Director
8	Mr. Karun Kittisataporn	Independent Director and Audit Committee
9	Mr. Paitoon Taveebhol	Independent Director and Chairman of Audit Committee
10	Mrs. Chotika Sawananond	Independent Director and Audit Committee
11	Mr. Weerawat Chutichetphong	Audit Committee

Source: The Stock Exchange of Thailand

### 5. Financial Statements and Performance Analysis

#### Statement of Financial Position

Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets

Unit: Baht	Consolidated Financial Statements as at 31 December			
	2013	2014	2015	2016
<b>Assets</b>				
Current assets	1,752,178,399	2,487,781,567	2,577,733,661	2,488,945,220
Cash and cash equivalents	117,010,721	1,285,220,512	1,748,018,000	714,829,937
Current investments	1,229,673,788	1,404,324,122	1,249,501,326	1,102,326,944
Trade accounts receivable	2,400,239,657	1,840,825,306	1,548,803,230	1,924,457,452
Other receivables	-	-	12,544,796	428,460,252
<b>Total current assets</b>	<b>5,499,102,565</b>	<b>7,018,151,507</b>	<b>7,136,601,013</b>	<b>6,659,019,805</b>
Investment in associates and joint ventures	3,354,239,257	5,443,526,858	5,517,303,574	6,156,103,669
Long-term investments related-parties	-	66,250,000	66,250,000	66,250,000
Other long-term investments	2,218,702	2,217,827	2,216,153	3,230,700
Investment properties	53,575,156,506	60,927,249,949	74,796,435,883	76,700,380,637
Property, plant and equipment	2,352,903,164	2,140,491,324	1,939,047,881	1,796,803,659
Leasehold rights	11,456,563,951	11,795,158,799	11,644,371,972	10,647,331,203
Right for usage of assets	127,264,252	122,588,750	197,010,216	481,771,302
Deferred tax assets	745,362,460	731,388,996	789,229,576	1,215,934,265
Other non-current assets	425,963,382	788,163,715	956,165,880	800,522,928
<b>Total non-current assets</b>	<b>72,039,671,674</b>	<b>82,017,036,218</b>	<b>95,908,031,135</b>	<b>97,868,328,363</b>
<b>Total assets</b>	<b>77,538,774,239</b>	<b>89,035,187,725</b>	<b>103,044,632,148</b>	<b>104,527,348,168</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Loan from financial institutions	900,000,000	-	-	--
Short term loan from financial institutions	-	200,000,000	-	-
Trade accounts payable	598,412,053	828,393,324	904,079,294	825,232,064
Other payables	5,157,203,879	4,890,294,549	5,196,585,266	5,548,299,262
Short-term loans from related parties	4,159,962	4,387,061	-	-
Leasehold right	-	-	33,333,333	-
Current portion of long-term loans	5,153,567,000	4,478,722,000	5,168,982,000	4,707,620,460
Current portion of advance received from rental and service income	317,870,781	688,904,684	664,062,270	682,447,731
Income tax payable	547,968,060	253,605,371	372,496,734	725,980,066

Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets

Unit: Baht	Consolidated Financial Statements as at 31 December			
	2013	2014	2015	2016
Contractor payables	2,779,050,202	2,782,184,394	3,190,358,744	2,388,823,882
<b>Total current liabilities</b>	<b>15,458,231,937</b>	<b>14,126,491,383</b>	<b>15,529,897,641</b>	<b>14,878,403,465</b>
<b>Non-current liabilities</b>				
Long-term loans from related parties	-	-	-	-
Other long-term loans	13,788,036,680	11,339,939,680	17,454,287,680	13,196,667,220
Accounts payable for leasehold right	-	-	300,000,000	300,000,000
Deferred tax liabilities	155,447,688	139,265,420	76,594,163	35,150,933
Employee benefit obligations	171,551,584	193,475,849	274,543,724	312,079,148
Advance received from rental and service income	4,941,489,040	14,830,725,268	15,786,750,091	15,679,144,770
Deposits received from customers	5,184,958,035	5,395,426,934	6,322,877,621	6,610,973,742
Provision for decommissioning and restoration	-	39,967,449	234,141,781	253,704,982
Guarantees received for leasehold rights	1,015,418,010	1,221,974,671	264,422,655	256,422,342
<b>Total non-current liabilities</b>	<b>25,256,901,037</b>	<b>33,160,775,271</b>	<b>40,713,617,715</b>	<b>36,644,143,137</b>
<b>Total liabilities</b>	<b>40,715,132,974</b>	<b>47,287,266,654</b>	<b>56,243,515,356</b>	<b>51,522,546,602</b>
<b>Equity</b>				
Share capital				
Authorised share capital	2,244,000,000	2,244,000,000	2,244,000,000	2,244,000,000
Issued and paid-up share capital	2,244,000,000	2,244,000,000	2,244,000,000	2,244,000,000
Premium on ordinary shares	8,558,557,850	8,558,557,850	8,558,557,850	8,558,557,850
Retained earnings				
Appropriated to legal reserve	224,400,000	224,400,000	224,400,000	224,400,000
Unappropriated	25,195,199,173	30,033,795,650	34,949,747,221	41,052,032,491
Other components of equity	-43,736,017	-40,044,888	-40,111,532	-41,943,210
<b>Equity attributable to owners of the company</b>	<b>36,178,421,006</b>	<b>41,020,708,612</b>	<b>45,936,593,539</b>	<b>52,037,047,131</b>
Non-controlling interests	645,220,259	727,212,459	864,523,253	967,754,435
<b>Total equity</b>	<b>36,823,641,265</b>	<b>41,747,921,071</b>	<b>46,801,116,792</b>	<b>53,004,801,566</b>
<b>Total liabilities and equity</b>	<b>77,538,774,239</b>	<b>89,035,187,725</b>	<b>103,044,632,148</b>	<b>104,527,348,168</b>

Source: The Stock Exchange of Thailand

**Statement of comprehensive income**

Unit : Baht	Consolidated Financial Statements for the year ended 31 December			
	2013	2014	2015	2016
<b>Income</b>				
Revenue from rent and services	18,128,314,102	20,374,891,383	22,231,356,081	25,246,527,485
Revenue from food and beverage	881,882,893	974,774,728	1,067,712,961	1,389,464,959
Revenue from hotel operation	902,978,834	957,875,577	983,496,368	997,708,008
Investment income	97,655,779	61,441,989	24,447,379	26,996,313
Other income	1,698,192,611	1,583,861,906	1,564,835,958	1,600,219,458
<b>Total Income</b>	<b>21,709,024,219</b>	<b>23,952,845,583</b>	<b>25,871,848,747</b>	<b>29,260,916,223</b>
<b>Expenses</b>				
Cost of rent and services	9,541,895,158	10,521,874,336	11,449,731,376	12,629,537,595
Cost of food and beverage	690,764,382	779,659,998	852,070,940	1,085,564,106
Cost of hotel operation	308,964,107	314,706,536	331,920,217	325,496,518
Administrative expenses	3,445,545,818	3,666,737,678	4,030,465,763	4,406,412,984
Finance costs	812,532,817	676,751,105	508,714,089	633,460,339
<b>Total expenses</b>	<b>14,799,702,282</b>	<b>15,959,729,653</b>	<b>17,172,902,385</b>	<b>19,080,471,542</b>
<b>Share of profit (loss)</b>				
Associates	686,122,862	813,751,247	745,771,197	858,498,031
Joint ventures	(191,368)	(479,755)	3,533,219	(5,579,079)
<b>Total</b>	<b>685,931,494</b>	<b>813,271,492</b>	<b>749,304,416</b>	<b>852,918,952</b>
<b>Profit before income tax expense</b>	<b>7,595,253,431</b>	<b>8,806,387,422</b>	<b>9,448,250,778</b>	<b>11,033,363,633</b>
Income tax expense	(1,206,049,820)	(1,378,041,110)	(1,430,629,710)	(1,686,336,102)
<b>Profit for the year</b>	<b>6,389,203,611</b>	<b>7,428,346,312</b>	<b>8,017,621,068</b>	<b>9,347,027,531</b>
Other comprehensive income				
Foreign currency translation differences for foreign operations	28,971	1,438,915	-1,519,446	-2,665,089
Net change in fair value of available-for-sale investment	1,912,203	2,252,214	1,452,802	833,411
Defined benefit plan actuarial losses	(13,912,117)	-	(46,360,441)	-
Other comprehensive income for the year, net of income tax	<b>(11,970,943)</b>	<b>3,691,129</b>	<b>(46,427,085)</b>	<b>(1,831,678)</b>
<b>Total comprehensive income for the year</b>	<b>6,377,232,668</b>	<b>7,432,037,441</b>	<b>7,971,193,983</b>	<b>9,345,195,853</b>

Unit : Baht	Consolidated Financial Statements for the year ended 31 December			
	2013	2014	2015	2016
<b>Profit attributable to:</b>				
Owners of the Company	6,292,529,045	7,306,952,642	7,880,309,769	9,243,796,650
Non-controlling interests	96,674,566	121,393,670	137,311,299	103,230,881
<b>Profit for the year</b>	<b>6,389,203,611</b>	<b>7,428,346,312</b>	<b>8,017,621,068</b>	<b>9,347,027,531</b>
<b>Total Comprehensive income attributable to:</b>				
Owners of the Company	6,280,558,102	7,310,643,771	7,833,882,684	9,241,964,972
Non-controlling interests	96,674,566	121,393,670	137,311,299	103,230,881
<b>Total comprehensive income for the year</b>	<b>6,377,232,668</b>	<b>7,432,037,441</b>	<b>7,971,193,983</b>	<b>9,345,195,853</b>
<b>Basic earnings per share</b>	<b>1.42</b>	<b>1.63</b>	<b>1.76</b>	<b>2.06</b>

Source: The Stock Exchange of Thailand

### Cash Flow Statement

Unit : Baht	Consolidated Financial Statements for the year ended 31 December			
	2013	2014	2015	2016
<b>Cash flows from operating activities</b>				
Profit for the year	6,389,203,611	7,428,346,312	8,017,621,068	9,347,027,531
<i>Adjustments for</i>				
Depreciation	2,613,640,472	3,075,217,361	3,391,086,666	4,003,241,124
Amortisation of leasehold rights and right for usage of assets	1,070,064,933	943,961,417	1,058,999,659	1,119,421,200
Reversal of allowance for impairment	(377,333,334)	(66,250,000)	(166,226,531)	-
Foreign currencies translation differences for foreign operations	28,971	1,438,915	(1,519,446)	(2,665,089)
Investment income	(97,655,779)	(61,441,989)	(24,447,379)	(26,996,313)
Gain on lease under finance lease	812,532,817	676,751,105	508,714,089	633,460,339
Reversal of allowance for doubtful accounts	(3,358,920)	4,995,182	(1,589,864)	2,870,436
Write off of investment properties	-	-	-	141,032,558
Loss (gain) on sales of assets	746,822	(2,180,255)	18,866,382	411,176
Recognition of advance received from rental and service income	(387,966,727)	(781,519,670)	(846,159,204)	(898,290,076)
Employee benefit obligations	26,946,500	25,914,845	26,641,365	43,033,944
Share of profit of associates and joint ventures	(685,931,494)	(813,751,247)	(749,304,416)	(852,918,952)
Share of profit (loss) from associates and joint ventures	-	479,755	-	-
Unrealised (gain) loss on exchange rate	20,753,640	6,388,200	122,483,400	(9,800,700)
Restructuring of business	-	-	(816,168)	-

Unit : Baht	Consolidated Financial Statements for the year ended 31 December			
	2013	2014	2015	2016
Unrealised (gain) loss from financial instruments	(43,706,478)	22,039,817	44,126,810	(28,417,965)
Provision for decommissioning and restoration	-	-	2,321,342	-
Income tax expense	1,206,049,820	1,378,041,110	1,430,629,710	1,686,336,102
	10,544,014,854	11,838,430,858	12,831,427,483	15,157,745,315
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivable	(599,593,083)	(179,645,516)	156,412,660	144,303,945
Other receivables	(905,934,607)	353,597,763	58,240,832	(381,137,879)
Real estate projects under development	-	-	(12,544,796)	(265,258,697)
Other non-current assets	(48,603,076)	(356,852,821)	38,026,757	26,897,752
Trade accounts payable	582,193,119	229,981,271	75,685,970	(151,263,758)
Other payables	972,937,948	(80,343,929)	296,372,282	551,231,589
Advance received from rental and service income	614,083,147	11,041,789,801	1,777,341,613	809,070,216
Deposits from customers received	1,420,021,361	1,415,366,718	927,450,687	288,096,121
Repayment of deposits from customer	(737,310,288)	(1,204,897,819)	-	-
Guarantees received for leasehold rights	372,100,000	387,400,000	60,879,890	-
Repayment of guarantees received for leasehold rights	-	-	(1,000,134,070)	-
Employee benefits obligations paid	(761,490)	(3,990,580)	(3,524,040)	(5,498,520)
<b>Cash generated from operating activities</b>	<b>12,213,147,885</b>	<b>23,440,835,746</b>	<b>15,205,635,268</b>	<b>16,174,186,084</b>
<b>Cash flows from investing activities</b>				
Interest received	92,602,722	55,452,910	21,274,449	153,134,081
Dividends received	640,802,827	758,498,606	736,601,082	742,497,636
Decrease (increase) in current investments	1,198,410,968	(1,165,957,577)	(461,344,686)	1,034,021,474
Purchase of investments in subsidiary, associates and joint ventures	-	(2,033,904,960)	(60,943,382)	(528,248,779)
Proceeds from redemption of investment units in funds	-	-	-	(2,253,770)
Purchase of other long-term investments	-	-	-	1,200,000
Proceeds from sales of other long-term investments	(8,424,820,191)	(8,524,399,880)	(14,393,146,158)	(4,971,508,447)
Purchase of investment properties	(249,692,434)	(126,455,967)	(55,908,605)	(152,298,592)
Purchase of property and equipment	(1,020,157,387)	(1,373,930,647)	(815,638,596)	(252,653,147)
Purchase of leasehold rights and right for usage of assets	65,667,190	-	-	-
Sales of property and equipment	(1,892,859,777)	(1,654,081,215)	-	-
Decrease in construction account payable	-	211,033,706	101,909,465	36,224,699
Sales of leasehold rights and investment properties	-	-	-	(33,333,333)
Payment for accounts payable for leasehold right	-	-	(1,834,087,314)	(1,968,647,918)
Payment for contractor payables	(219,292,248)	-	-	-

Unit : Baht	Consolidated Financial Statements for the year ended 31 December			
	2013	2014	2015	2016
<b>Net cash from (used in) investing activities</b>	<b>(9,809,338,330)</b>	<b>(13,853,745,024)</b>	<b>(16,761,283,745)</b>	<b>(5,941,866,096)</b>
<b>Cash flows from financing activities</b>				
Finance costs paid	(1,175,965,948)	(845,059,694)	(620,751,210)	(659,734,206)
Dividends paid	(2,069,545,077)	(2,507,590,041)	(2,916,824,652)	(3,141,005,868)
Payment for liability under financial lease	(4,612,323)	(1,281,894)	(770,989)	(385,967)
Proceeds from loans from related parties				
Repayment of loan from related parties	1,400,000,000	-	-	-
Cash received from selling comprising ordinary share				
Acquisition of non-controlling interests	6,616,176,000	-	-	-
Repayment of loans from related parties	1,600	(1,320)		
Proceeds from loans from financial and institutional investors	(7,123,160,520)	(11,322,942,000)	(15,280,392,000)	(5,518,982,000)
Acquisition of non-controlling interests		7,500,000,000	21,885,000,000	800,000,000
Finance costs paid	-	-	-	-
Dividends paid			(505)	301
<b>Net cash from (used in) financing activities</b>	<b>(2,357,106,268)</b>	<b>(7,176,874,949)</b>	<b>3,066,260,644</b>	<b>(8,520,107,740)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,141,456,641)</b>	<b>735,603,168</b>	<b>89,952,094</b>	<b>(88,788,441)</b>
Cash and cash equivalents at 1 January	2,893,635,040	1,752,178,399	2,487,781,567	2,577,733,661
Cash and cash equivalents at 31 December	<b>1,752,178,399</b>	<b>2,487,781,567</b>	<b>2,577,733,661</b>	<b>2,488,945,220</b>
<b>Total cash and cash equivalents</b>	<b>(1,141,456,641)</b>	<b>735,603,168</b>	<b>89,952,094</b>	<b>(88,788,441)</b>

Source: The Stock Exchange of Thailand

#### Keys Financial Ratios

Ratios	Measure ment	Consolidated Financial Statements for the year ended 31 December			
		2013	2014	2015	2016
<b><u>Liquidity ratio</u></b>					
Liquidity Ratio	TTM	0.36	0.50	0.46	0.45
Current ratio	TTM	0.20	0.37	0.36	0.29
Quick ratio	TTM	N/A	1.47	0.93	0.95
Cash ratio	TTM	N/A	16.94	18.30	23.50
Account Receivable Turnover	DAY	N/A	21.25	19.67	15.32
Average Collection Period	TTM	N/A	15.84	14.20	15.86
Account Payable Turnover	DAY	N/A	22.72	25.35	22.70
<b><u>Profitability ratio</u></b>					
Gross Profit Margin	%	47.06	47.93	47.97	49.19
Net Profit Margin	%	29.38	31.03	30.81	31.94
Return on Equity	%	N/A	18.92	18.00	18.73
<b><u>Efficiency ratio</u></b>					

Return on Assets	%	N/A	8.92	8.30	9.00
Return on Fixed Assets	%	N/A	4.41	4.06	4.30
Total Asset Turnover	TTM	N/A	0.29	0.27	0.28
<b>Financial policy ratio</b>					
Debt to Equity Ratio (excluding advance received from rental and service income)	TTM	0.97	0.78	0.86	0.68
Debt to Equity Ratio	TTM	1.11	1.13	1.20	0.97
Interest Coverage	TTM	9.38	25.76	22.21	21.79

## 6. Financial Performance Review

### 6.1 Financial Performance

#### Revenue

##### Revenues from Rent and Services

For year 2016, consolidated revenues from rent and services increased by 14% y-o-y to 25,247 MB, confirming a well-diversified portfolio despite the decrease in revenues from CentralPlaza Marina and CentralPlaza Chaengwattana during a partial closure for renovation. The increase in revenue was primarily due to:

- Full-year contributions from CentralPlaza Rayong, CentralFestival Phuket, CentralPlaza West Gate and CentralFestival Eastville that came into full scale operations in 2016 after their launches in 2015.
- Contributions from new projects of CentralPlaza Nakornsrihammarat launched in 2016.
- Full-year contribution from CentralPlaza Pinklao after major renovation which partially opened since 2015.

For year 2016, the average rental rate of all retail properties were 1,559 Baht/sq.m./ month. Excluding new malls launched in 2015 and 2016 i.e. CentralPlaza Rayong, CentralFestival Phuket, CentralPlaza WestGate, CentralFestival EastVille, CentralPlaza Nakornsrihammarat and the asset enhancement under renovation project i.e. CentralPlaza Pinklao, CentralPlaza Chaengwattana, CentralMarina, the same store average rental rate of other retail properties grew by 3.3% y-o-y from 1,523 to 1,573 Baht/sq.m./month.

##### Revenues from Food and Beverage

For year 2016, the in-mall food court business recorded a 30% y-o-y sales growth to 1,389MB. The growth was mainly attributed new food centers opened in 2015 and fully operated in 2016 as well as the re-opening of new-look food centers at CentralPlaza Pinklao and CentralPlaza Bangna added after the renovation, together with an impressive sales growth at CentralFestival Chiangmai, CentralFestival Pattay beach, CentralFestival Samui, CentralPlaza Salaya and CentralPlaza Ubonratchathani that significantly 14% y-o-y sales growth comparing to previous year.



#### Revenues from Hotel Operations

Hotel operations are considered CPN's non-core businesses. FY2016, hotel operations registered a 14% y-o-y revenue growth to 998 MB, thanks to strong performance of Hilton Pattaya Hotel. The full-year average occupancy rate at Hilton Pattaya remains unchanged at 89 percent with higher room rate increase from last year albeit by the departure of King Bhumibol Adulyadej on 13 October 2016 as all Thais are in great loss and despair, resulting in the cancellation of festive events and activities. Like Centara Hotel & Convention Center Udonthani drove the full-year average occupancy rate from 61% in 2015 to 67% in 2016 from increasing customer from government market and online booking market.

#### **Total Costs**

##### Costs of Rent and Services

Costs of rent and services constituted utilities, security & cleaning services, on-site personnel, land rental, depreciation & amortization, repair & maintenance costs and insurance premium and property tax of properties owned to earn rentals.

FY2016, costs of rental and services increased by 10% y-o-y to 12,630 MB, due primarily to compounding effects of the following factors:

- Full-year realization of operating costs and depreciation of the new projects launched in 2015 and acknowledged cost in 2016.
- Additional operating costs and depreciation of the new projects launched in 2016.
- Increased repair and maintenance costs and personnel expenses in general.

Considering on the same store basis, utility cost, which is a major cost accounted for over 30% of total costs of rent and services for shopping mall operation, decreased 8% y-o-y, which reflected the effectiveness of energy saving programs that CPN has been continuously implementing.

##### Cost of Food and Beverage

Costs of food and beverage constituted costs of operating in-mall food centers, as well as depreciation and repair & maintenance costs of food center equipment and furniture, and decoration costs.

FY2016 costs of food and beverage increased by 27% y-o-y to 1,086 MB, in line with the increase of the revenues from food and beverage. The increase stemmed primarily from new food courts launched in 2015 and 2016 as previously mentioned.

##### Cost of Hotel Operations

FY2016 costs of hotel operations posted 325 MB, decreased by 2% y-o-y affected by decrease in food and beverage cost that in line with decrease in its revenue together with position vacancies that reflected to decreased in hiring expense.

### **Administrative Expenses**

Total administrative expenses constituted expenses on personnel, marketing & promotion, office supplies, professional fees, and depreciation and amortization of office equipment and hotel properties. FY2016, total administrative expenses amounted to 4,406 MB, up 9% y-o-y, led by

- Higher personnel expense arising from business expansion for both newly launched malls in 2016 such as CentralPlaza Nakornsrihammarat, Central Marina, CentralPlaza Bangna. However, total administrative expenses versus revenue decreased from 16% in 2015 to 15% in 2016.

### **Gross Profit Ratio & Operating Profit Ratio**

FY2016, Gross Profit ratio (excluding other income) increased from 48% in 2015 to 49.2% in 2016. With the efficient cost management, the increase of revenue went ahead of the cost especially the increasing of revenue from rental and services, the growth of food and beverage revenue and decreased cost in hotel operations.

### **Net Profit**

FY2016 consolidated net profit recorded an 17% y-o-y growth to 9,244 MB. The y-o-y continuing growth for the CPN's performance was primarily attributable to the following factors:

1. Improved performance of existing malls with a double-digit growth in net profit such as Central World, CentralPlaza Salaya, CentralFestival Samui and CentralPlaza udonthani, especially CentralFestival Hat Yai where net profit increased 3 times from last year as well as other malls.
2. The full-year contributions of 4 new malls launched in 2015.
3. Continuing growth in hotel business, led by increased Revenue per available room (RevPar) at Hilton Pattaya Hotel and Centara Hotel & Convention Centre Udonthani
4. Efficient cost and expense management, lower finance costs including cost savings from the economy of scale. CPN continuously focuses on a number of implementation to reduce costs and expenses, reflected in a growth in revenue faster than a rise in operating costs and administrative expenses, thus sustained margins at high level even the company keep expanding the portfolio.

## **6.2 Financial Position**

### **6.2.1 Assets**

CPN's core businesses comprise development, management, management of large-scale shopping complexes, and the provision of rental space for rent, complementing by other supportive businesses under mixed-use concept, which include office building and hotel businesses in a bid to optimize the use of land, diversify income sources, and draw in more customers to shopping centers. As of 31 December 2013, 31 December 2014, 31 December 2015 and 31 December 2016, CPN's total assets accounted for 77,538.77 MB, 89,035.19 MB, 103,044.63 MB and 104,527.35 MB respectively. As of 31 December 2016, total assets recorded

an 1.44% y-o-y growth to 1,482.72 MB. The major increase resulted from the increasing of property investment and property development.

### **6.2.2 Liabilities**

Total CPN's liability as of 31 December 2013, 31 December 2014, 31 December 2015 and 31 December 2016 accounted for 40,715.13 MB, 47,287.27 MB, 56,243.52 MB and 51,522.55 MB respectively. As of 31 December 2016, CPN's total liabilities decreased 8.39% or 4,720.97 MB comparing to last year which affected long-term loan.

### **6.2.3 Shareholder's Equity**

CPN's total equity as of 31 December 2013, 31 December 2014, 31 December 2015 and 31 December 2016 accounted to 36,823.64 MB, 46,747.92 MB, 46,801.12 MB and 53,004.80 MB respectively. As of 31 December 2016, CPN's equity recorded an 13.26% growth y-o-y to 6,203.68 MB which are resulting from operation profit in 2016.

## **7. Economic Overview**

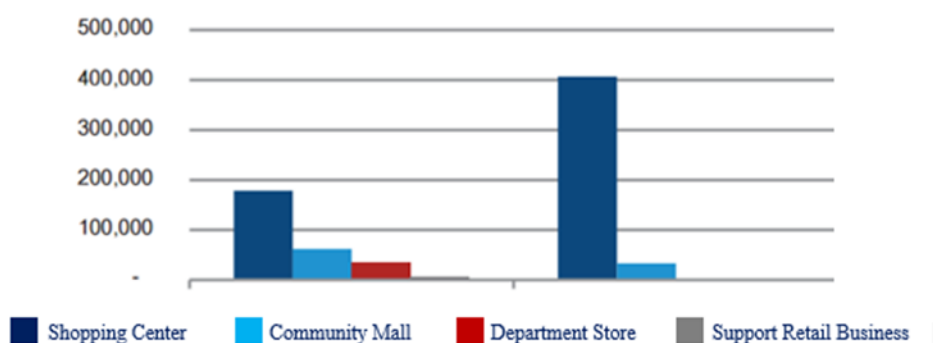
Thai economy in 2016 signals to a slow-paced economic recovery where GDP grew by 3.2% in 2016 comparing to 2.8% in 2015. This is induced by the government's policy to encourage investment during past year. Private consumption was signaled to positive enhanced by domestic fronts and better sign from agricultural after drought crisis. The external sector started the year with healthy growth in export, reflecting the growth in export revenue since Q3/2016. Tourism industry has been driven domestic economic with the growth of 12.40% within 9 months.

### Shopping Centers and Department Stores

The supply of retail space in Bangkok Metropolis and its perimeters at Quarter 4/2016 was at 7,537,800 sq.m., reflecting increase in retail space by approximately 119,200 sq.m. This was the slowest growth comparing to these several years. Several retail space projects were slow down in opening its project during 2016-2017 due to the negative sign in overall consumption. This also affected in slowdown in the launching retail projects during these two years.

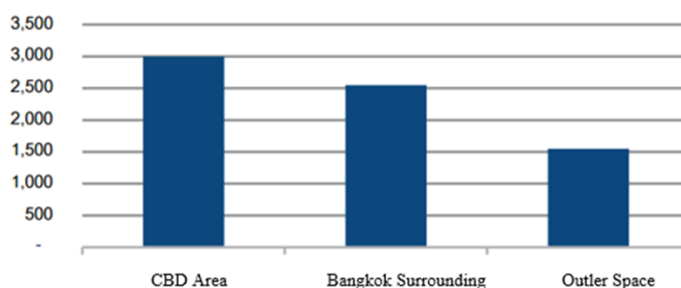
With over 53% of big retail space projects and super stores were launched in outer Bangkok due to limitation in available land in central business district and outer Bangkok. Thus, community mall and supported retail business project were set as a highlighted projected to develop in limited space such as office building and condominium.

**Retail Space in Bangkok Metropolis and its perimeters, expected to be launched by 2017-2018 (Sq.m.)**



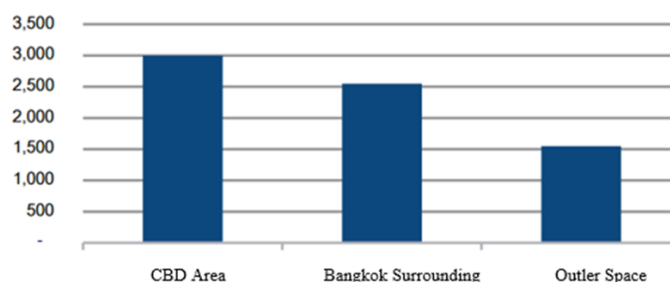
Numbers of shopping center projects are plan to be launched in Bangkok metropolis and its perimeters in 2017-2018, reflecting shopping center occupied large share of retail space at about 585,000 sq.m. Community mall is the largest expansion project in retail business which started from 300,000 sq.m in 2006 and expand up to 1,194,300 sq.m in Quarter 4/2016 with additional 61,000 sq.m. which is expected to be launched within 2017. Some retail business project such as entertainment, complex, superstore and mall are ranked as the least launching projection.

**Average Renting Fee Categorized by Location at Q4/2016  
(Baht/Sq.m./month)**



The average renting space in all locations at Quarter 4 / 2 0 1 6 has been stable comparing to previous quarter of the same year at 9 6 % , contrasting to the consumption power which was slow down affected by domestic economic outlook. Bangkok's outer space recorded as the highest renting percentage especially in superstore and shopping center while community mall space were still vacant and insufficient attractive for well-known store to rent out the space. Consumer confidence in quarter 4 / 2 0 1 6 was not variance from previous quarter of the same year. However, consumer confidence during December 2 0 1 6 had been raised up due to festive seasons of Christmas and New Year celebrations whilst government's campaign to encourage spending from private sector putting retail business in advantage. Thai Retailers Association expected that retail business in 2016 is ahead by 3% from 2015 and 3-3.2% in 2017.

**Average Renting Fee Categorized by Location at Q4/2016**  
(Baht/Sq.m./month)

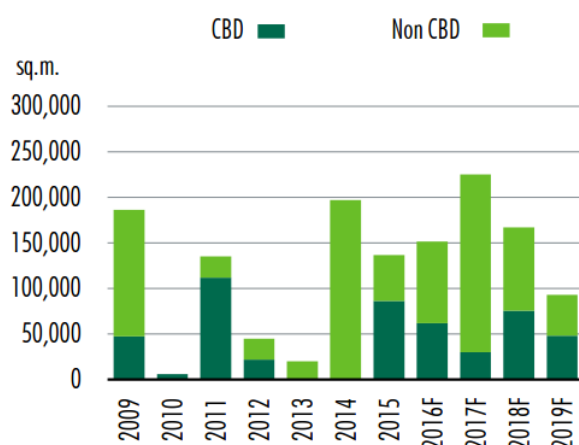


The average renting fee in Bangkok Metropolis and its perimeters in quarter 4/2016 has been stable comparing to the previous quarter even though several new launched retail space in 2016 were charged higher in rental fee comparing to the same location. The highest rental fee was recorded to central business district , especially in department store located around BTS station and adjoining to skywalk. The average rental fee of all location in 2017 was expected to be continuously increase at the same percentage as 2016 at 3 to 5% due to increase demand in retail space whilst the increasing in Thai and international brands.

#### Office Rental Business

Office rental space was increased by 0.2% or 14,000 sq.m. in 2016 comparing to previous quarter of the same year. This reflect to the total office space in Bangkok accounted to 8.56 million sq.m.

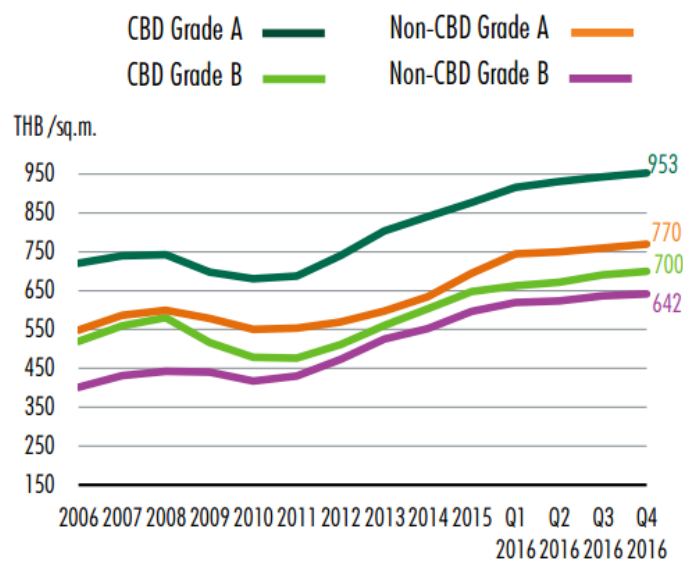
**Figure 2: New Office Supply by Area**



Source: CBRE Research, Q4 2016

Office rental space was occupied at about 7.90 million sq.m. in quarter 4/2016 which is increase at 2.30% from the previous year. The occupancy rate of office space in 2016 was at 92.30% which is better than 2015 at 91.80%. The office building Class A in quarter 4/2016 was at 93.50% comparing to 91.9% in 2015 while office building Class B in quarter 4/2016 was at 92.00% comparing to 91.80% in 2016.

Figure 4: Rental Rates



Note: Based on 200-300 sq.m. transactions

Source: CBRE Research, Q4 2016

The average rental fee of office building Class A was at 953 Baht per sq.m. which was increase by 6.20% from the previous year. Park ventures and Bhiraaj Tower at EmQuartier were the highest two office rental fee at more than 1,000 Baht per sq.m. while Park Ventures was recorded as the highest office rental fee at 1,300 Baht per sq.m.

The average renatal fee of office building Class B was at 700 Baht per sq.m. which was increased by 6.70% comparing to the previous year.

Currently there are more than 463,000 sq.m. office building are under development which are expected to be launched by 2017 and 2019 in 27% are office building Class A located in central business district such as Kaysorn Tower, Singha Building Complex and Samyan Midtown project.

**Attachment 3 : Summay of Agreements and Key Documents**

**1. Land Lease Agreement between CPB and DTC**

Agreement	Land Lease Agreement
Parties	CPB as a lessor and DTC as a lessee
Date	22 December 2016
Lease Property	Approximately 23-2-2.72 rais of land located at No. 1, Saladaeng, intersection of Silom Road, Silom, Bangkok.
Term	<ul style="list-style-type: none"> <li>• 30 years commencing from 1 July 2024.</li> <li>• At the end of the term Dusit will be entitled to an option to renew the lease term for an additional 30 years.</li> <li>• Dusit will be entitled to a grace / construction period of 7 years commencing from 1 July 2017.</li> </ul>
Rental	<p>The total rent for 60 years (present value) is THB 7,334,121,600 will be paid as follows:</p> <ul style="list-style-type: none"> <li>• The advance payment of THB 1,466,824,320 payable within 5 July 2017.</li> <li>• The remaining THB 5,867,297,280 paid annually over a period of 60 years and the first installment shall be paid within 5 July 2024.</li> <li>• DTC will be entitled to one early pre-payment of the total remaining amount with a discount rate of 6%.</li> <li>• DTC shall pay the agreed rent in case of starting the commercial operation date prior to the end of such grace / construction period until the first installment date above.</li> </ul>
Lease right assignment and sublease of land and building	<p>The Lessor allows the Lessee to sublease or transfer the right to lease as follows:</p> <ul style="list-style-type: none"> <li>• Transfer the right to lease or sublease the land area of approximately 2 Rias 2 Ngan to OJV, under the following conditions: <ul style="list-style-type: none"> <li>• DTC shall hold at least 10% of shares in OJV.</li> <li>• OJV has right to sublease the land in order to develop Office project and its parking.</li> <li>• OJV agrees to pay the advance payment approximately THB 519.51 Million and the rest payment of approx. Baht 2,078 Million will be paid annually for 60 years with 6% p.a. interest rate.</li> </ul> </li> <li>• Transfer the right to lease or sublease the rest of land area to HRRJV, under the following conditions: <ul style="list-style-type: none"> <li>• DTC shall hold not less than 50% of shares in HRRJV.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>HRRJV agrees to pay the advance payment of approximately THB 947.32 Million and the annual payment.</li> </ul>
Termination	<p>The Land Lease Agreement shall be terminated in any of following events:</p> <ul style="list-style-type: none"> <li>There is a petition to the court requesting the rehabilitation of the Lessee</li> <li>The Lessee become bankrupt.</li> <li>The Lessee disposes, sell, or transfer the rights under the Land Lease Agreement without obtaining prior written approval from the Lessor, or the Lessee subleases the Land otherwise than which was agreed under the Land Lease Agreement.</li> <li>The Lessee does not notify the Lessor within appropriate timeline or notify the Lessor that the Lessee does not wish to renovate/rebuild building and structures in case that such building and structure are destroyed.</li> </ul> <p>The Lessor shall be entitled to terminate this Land Lease Agreement by giving written notice to the Lessor with immediate effects.</p> <ul style="list-style-type: none"> <li>There is a material breach of the Land Lease Agreement by the Lessee with no remedy after 60 days from date of notice of the lessor, or longer period as specified by the Lessor, this Land Lease Agreement shall be terminated upon the expiration of the notice period.</li> </ul>
Condition precedents	<ul style="list-style-type: none"> <li>The Land Lease Agreement will be effective upon obtaining the shareholders' approval of: <ul style="list-style-type: none"> <li>waive the right under the existing Land Lease Agreement, including the right to the extension the lease term.</li> <li>enter into the Land Lease Agreement with CPB.</li> <li>Invest in Mixed-use project</li> </ul> </li> </ul>
Other Conditions	<ul style="list-style-type: none"> <li>DTC shall waive its right to lease the land as per the existing land lease agreement, which will expire on March 2018 as well as the right to extend the land lease agreement for another 15 years in order for the new land lease agreement to become effective.</li> <li>DTC the right to use the land and building, free of charge during a grace / construction period.</li> <li>The Lessor and the Lessee agree to register the Land Lease Agreement to the Land Department (Bangkok District) within 30 days upon (i) the Lessee receiving the license to use building and structures and (ii) the Lessee issues the request to the Lessor. In this respect, the Lessee agrees to be solely</li> </ul>



	<p>responsible for all registration fee, duty stamp and any expenses arising in relation to the registration.</p> <ul style="list-style-type: none"> <li>• Upon the termination of the Land Lease Agreement, the ownership of building and structures shall belong to the Lessor.</li> <li>• In case that HRRJV or OJV (as the case maybe) is in breach of the payment, debt obligation or breach any terms of the Land Lease Agreement which consequently that the Lessor shall be entitled to terminate such Land Lease Agreement, the Lessor shall issue the letter to HRRJV or OJV (who is non-breaching party) to acknowledge the situation and such termination right.</li> </ul> <p>In this respect, the non-breaching party agrees to pay the outstanding debts, future debts or remedy such breach until there will be a new lessee, or within 2 years from the date of breaching.</p> <p>The Lessor agrees to grant the right to HRRJV or OJV (as the case maybe) to be the first person to be assigned the rights of the breaching party. the Company shall waive its right to lease the land as per the existing land lease agreement, which will expire on March 2018 as well as the right to extend the land lease agreement for another 15 years in order for the new land lease agreement to become effective.</p>
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#### IFA Opinion

IFA views that entering into above agreement is on DTC benefits. DTC will entitle to the right to lease land for development project for 60 years. The present value of lease right is slightly lower than the appraised value. For the terms of payment, IFA views as appropriate. Other terms and conditions are normal practice of business. However, the Company shall waive its right to lease the land as per the existing land lease agreement, which will expire on 31 March 2018 as well as the right to extend the land lease agreement for another 15 years in order for the new land lease agreement to become effective.

#### 2. Shareholder's Agreement in relation to HRRJV

Agreement	Shareholders' Agreement in relation to Vimarn Suriya Company Limited
Parties	DTC, CPN and Vimarn Suriya Company Limited (HRRJV)
Date	31 August 2016
Objective	<p>To develop mixed-use project consisting of</p> <ul style="list-style-type: none"> <li>• 5-star hotel</li> <li>• Residence</li> <li>• Bare shell of Retails Shopping Center</li> </ul>

Paid up capital	<ul style="list-style-type: none"> <li>On the agreement signing date, HRRJV has paid up capital THB 100,000 consisting of 1,000 ordinary shares with par THB 100 per share. DTC hold 100% stake.</li> <li>On the first business day of July 2017, DTC will sell 350 shares of HRRJV (par value Baht 100 per share) to CPN at par and CPN shall purchase 35% of shareholder's loan provided by DTC. DTC and CPN will increase capital in HRRJV THB 714.94 Million and THB 384.97 Million, respectively.</li> </ul>
Land Sublease Agreement between DTC and HRRJV	<ul style="list-style-type: none"> <li>HRRJV will enter into 30-year Land Sublease Agreement with DTC for the minimum of 15 rais of land, with the right to extend another 30 years (total 60 years)</li> <li>HRRJV will pay rental to DTC as follows;                             <ul style="list-style-type: none"> <li>The advance payment within the first business day of July 2017</li> <li>The remaining rental will be paid annually over a period of 60 years, HRRJV will be entitled to one early pre-payment of the total remaining amount with a discount rate of 6%.</li> </ul> </li> <li>HRRJV shall be responsible for any taxes and duties relating to the lease property, including land lease registered fee.</li> </ul>
Conditions precedent	<ul style="list-style-type: none"> <li>The meeting of the shareholders of DTC approved to enter into the transactions and related agreements.</li> <li>DTC enter into Land Lease Agreement with CPB.</li> <li>Land Sublease Agreement has been duly executed by HRRJV.</li> </ul>
Other conditions	<ul style="list-style-type: none"> <li>HRRJV shall maintain D/E at 1.5 to 1. If HRRJV requires additional financing, loan shall be provided by DTC and CPN proportionately. D and E definitions:                             <ul style="list-style-type: none"> <li>From the date of the agreement to 10 years from the first business day of July 2017, D is interest bearing debt and E is paid-up capital and shareholder's loan.</li> <li>After year 10 from the first business day of July 2017, D is interest bearing debt and E is shareholder's equity and shareholder's loan.</li> </ul> </li> <li>HRRJV expects to start borrowing from financial institutions from year 2018.</li> <li>DTC and CPN entitle to nominate 3 and 2 directors, respectively.</li> </ul>

### IFA Opinion

IFA views that entering into above agreement which is on DTC benefits, in which there is a co-investment between DTC and CPN in order to develop mixed-use project consisting 5-star hotel, residence and bare shell of retail shopping center.

Fund will be raised through capital increase, shareholder's loan (pro-rata basis) and bank loan.

Terms and conditions of land lease agreement are the same as land lease agreement between DTC and CPB. DTC will get benefit from the difference in advance payment.

Other terms and conditions are normal practice of business. DTC and CPN entitle to nominate 3 and 2 directors, respectively as per shareholding proportion.

### 3. HRRJV Share Purchase

Agreement	Share Purchase Agreement
Parties	DTC as a seller, and CPN as a purchaser.
Date	31 August 2016
Number of shares to be sold	5% of total paid-up capital of HRRJV on the selling date.
Conditions precedent	The meeting of the shareholders of DTC approved to enter into the agreement.

### IFA Opinion

The agreement is in accordance to agreement between DTC and CPN, as a JV partner. DTC will gradually sell HRRJV share to CPN at the agreed price. Finally, the shareholdings in HRRJV between DTC and CPN will be 60:40.

### 4. Shareholder's Agreement in relation to REJV

Agreement	Shareholders' Agreement in relation to Suan Lum Property Company Limited
Parties	DTC, CPN and Suan Lum Property Company Limited (REJV)
Date	31 August 2016
Objective	To develop and manage Retail Shopping Center area of 49,238 to 73,300 sq.m.
Paid-up capital	<ul style="list-style-type: none"> <li>On the agreement signing date, REJV has paid up capital THB 100,000 consisting of 1,000 ordinary share with par THB 100 per share. DTC hold 100% stake.</li> <li>On the first business day of July 2017, DTC will sell 350 shares REJV's shares to CPN at par, then DTC and CPN will further increase capital in REJV.</li> </ul>
Conditions precedent	<ul style="list-style-type: none"> <li>The meeting of the shareholders of DTC approved to enter into the transactions and related agreements.</li> <li>DTC enter into Land Lease Agreement with CPB.</li> </ul>

	<ul style="list-style-type: none"> <li>Land Sublease Agreement has been duly executed by HRRJV.</li> </ul>
Other conditions	<ul style="list-style-type: none"> <li>REJV shall maintain D/E at 1.5 to 1. If HRRJV requires additional financing, loan shall be provided by DTC and CPN proportionately.</li> </ul> <p>D and E definitions:</p> <ul style="list-style-type: none"> <li>From the date of the agreement to 10 years from the first business day of July 2017, D is interest bearing debt and E is paid-up capital and shareholder's loan.</li> <li>After year 10 from the first business day of July 2017, D is interest bearing debt and E is shareholder's equity and shareholder's loan.</li> <li>REJV expects to start borrowing from financial institutions from year 2021.</li> <li>DTC and CPN entitle to nominate 2 and 7 directors, respectively.</li> </ul>

#### IFA Opinion

IFA views that entering into above agreement which is on DTC benefits, in which there is a co-investment between DTC and CPN in order to develop retails shopping center.

Fund will be raised through capital increase, shareholder's loan (pro-rata basis) and bank loan.

Other terms and conditions are normal practice of business. DTC and CPN entitle to nominate 2 and 7 directors, respectively as per shareholding proportion.

#### 5. Memorandum of Understanding between DTC and HRRJV

Agreement	Memorandum of Understanding
Parties	DTC and Vimarn Suriya Company Limited (HRRJV)
Date	31 August 2016
Objective	HRRJV intends to lease the Bare shell of Retails Shopping Center to DTC or person designated by DTC.
Leased property	Bare shell and applicable part of mechanical, electrical and plumbing of Retail Shopping Center.
Booking fees	<p>2 payments of advance booking fees as follows;</p> <ul style="list-style-type: none"> <li>1<sup>st</sup> payment : First business day of July 2017, payable to HRRJV</li> <li>2<sup>nd</sup> payment : within 10 business days from 1 January 2018, payable to HRRJV</li> </ul>
Building Lease Agreement	<ul style="list-style-type: none"> <li>HRRJV will enter into the 30-year Building Lease Agreement with DTC or person designated by DTC with the right to extend another 30 years (total 60 years)</li> </ul>

	<ul style="list-style-type: none"> <li>Lessee shall pay rental to HRRJV at the agree rate and the lessee will responsible for any taxes and duties relating to the lease property, including lease registered fee.</li> </ul>
Conditions precedent	The meeting of the shareholders of DTC approved to enter into the related transactions.

#### IFA Opinion

The MOU above is an agreement between DTC and CPN, as a JV partner, in which HRRJV will sublease bare shell of retail shopping center to DTC or person designated by DTC (which is REJV).

#### 6. Building Lease Arrangement Agreement

Agreement	Building Lease Arrangement Agreement
parties	DTC and Suan Lum Property Company Limited (REJV)
Date	31 August 2016
Objective	REJV wishes to lease the Bare shell of Retail Shopping Center and DTC wished to arrange for the transfer of the right to lease the Bare shell of Retail Shopping Center to REJV
Date of transfer	Within 10 business day from 1 January 2020.
Conditions precedent	The meeting of the shareholders of DTC approved to enter into the transaction.

#### IFA Opinion

The agreement above is in accordance to agreement between DTC and CPN, as a JV partner, in which DTC will sublease bare shell of retail shopping center to REJV to further develop retail shopping center

#### 7. Share Purchase Agreement relating to REJV

Agreement	Share Purchase Agreement relating to REJV
Parties	DTC as a seller, and CPN as a purchaser.
Date	31 August 2016
Number of shares to be sold	34% of REJV's paid-up capital at selling date.
Conditions precedent	The meeting of the shareholders of DTC approved to enter into the related transactions.

#### IFA Opinion

The agreement above is in accordance to agreement between DTC and CPN, as a JV partner, in which DTC will gradually sell REJV share to CPN. Finally, the shareholdings in REJV between DTC and CPN will be 15:85.

**8. Shareholder's Agreement in relation to OJV**

Agreement	Shareholders' Agreement in relation to Phraram 4 Development Company Limited
Parties	DTC, CPN, Phraram 4 Development Company Limited (OJV) and Saladang Property Management Company Limited (OfficeCo)
Date	10 March 2017
Objective	DTC wishes to transfer of the right to lease of a certain portion of the office site land to OJV; and OJV will sublease such land to the OfficeCo in order to develop, own and operate the office building.
Paid-up capital of OJV	<ul style="list-style-type: none"> <li>On the agreement signing date, OJV has paid up capital THB 100,000 consisting of 1,000 ordinary shares with par THB 100 per share. DTC hold 100% stake.</li> <li>Within 26 June 2017 DTC will sell 1 share at par to CPN.</li> <li>On 26 June 2017, CPN will inject capital THB 900,000 into OJV.</li> </ul>
Paid-up capital of OfficeCo	<ul style="list-style-type: none"> <li>On the agreement signing date, OfficeCo has paid up capital THB 100,000 consisting of 1,000 ordinary shares with par THB 100 per share. DTC hold 100% stake.</li> <li>Within 26 June 2017 DTC will sell 1 share at par to CPN.</li> <li>On 26 June 2017, CPN will inject capital THB 300,000 into OfficeCo.</li> </ul>
Land Sublease Agreement between OJV and OfficeCo	<ul style="list-style-type: none"> <li>OfficeCo will enter into 30-year Land Sublease Agreement with OJV for the land area of approx. 2 rais 2 ngan, with the right to extend another 29 years 6 months (total 59 years 6 months)</li> <li>OfficeCo will pay rental to OJV as follows; <ul style="list-style-type: none"> <li>The advance payment approx. THB 519.51 million, payable on 26 June 2017.</li> <li>the rest payment of approx. Baht 2,078 Million at present value will be paid annually for 60 years with 6% p.a. interest rate.</li> </ul> </li> <li>OfficeCo shall be responsible for any taxes, duties and expenses relating to lease registration.</li> </ul>
Conditions precedent	<ul style="list-style-type: none"> <li>The meeting of the shareholders of DTC approved to enter into the transactions and related agreements.</li> <li>DTC enter into Land Lease Agreement with CPB and the Land Lease Agreement CPB and OJV become effective.</li> <li>OJV and OfficeCo enter into Land Sublease Agreement between OJV and OfficeCO</li> </ul>

Other conditions	<ul style="list-style-type: none"> <li>DTC and CPN entitle to nominate 2 and 7 directors, respectively.</li> <li>Dusit Thani Hotel Bangkok will be entitled to operate, free of charge, on the current location until 1 July 2018.</li> </ul>
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#### IFA Opinion

The above agreement is on DTC benefit. This agreement is the co-investment agreement between DTC and CPN in order to develop office building. According to management interview, DTC will sell all of OfficeCo shares to CPN at par value within 2017. IFA have further investigated for aforementioned issue and found that DTC is preparing for Share Purchase Agreement relating to OfficeCo. Even though DTC cannot sell such shares to CPN, DTC's management informed that DTC will not invest in office building. DTC will maintain shareholding in OfficeCo at 25% stake and will not inject more capital.

Terms and conditions of land lease agreement are the same as land lease agreement between DTC and CPB. DTC will get benefit from the difference in advance payment.

#### 9. Lease Right Assignment Agreement between DTC and OJV

Agreement	Lease Right Assignment Agreement
Parties	DTC as assignor and Phraram 4 Development Company Limited (OJV) as assignee.
Date	10 March 2017
Rights to transfer	The rights and obligations relating to the lease of the office site land area approx. 2 rais 2 ngan for a period of 30 years, with an option to renew for a further term of 29 years and 6 months.
Transfer date	Within 26 June 2017
Assignment fee	THB 100,000,000 payable on 26 June 2017
Land Lease Agreement between CPB and OJV	<ul style="list-style-type: none"> <li>OJV will enter into 30-year Land Lease Agreement with CPB for the land area approx. 2 rais 2 ngan with an option to renew for a further term of 29 years and 6 months (total 59 years 6 months)</li> <li>OJV will pay rental to CPB as follows; <ul style="list-style-type: none"> <li>The advance payment of approximately THB 519.51 million, payable on 26 June 2017.</li> <li>the rest payment of approx. Baht 2,078 Million at present value will be paid annually for 60 years with 6% p.a. interest rate.</li> </ul> </li> <li>OJV shall be responsible for any taxes, duties and expenses relating to lease registration.</li> </ul>
Condition precedent	The meeting of shareholders of DTC approved to enter into the transactions.

**IFA Opinion**

The agreement above is in accordance to agreement between DTC and CPN, as a JV partner, in which DTC will assign the rights and obligations relating to the lease of the office site land area approx. 2 rais 2 ngan to CPN, and get THB 100 Million as assignment fee.

**10. Framework Development Agreement**

Agreement	Framework Development Agreement
Parties	DTC and OfficeCo
Date	10 March 2017
Objective	DTC will provide site preparation service to OfficeCo
Service Fee	OfficeCo will pay service fee as agreed.

**IFA Opinion**

The agreement above is in accordance to agreement between DTC and CPN, as a JV partner, in which DTC will provide site preparation service to OfficeCo and get service fee as agreed amount.



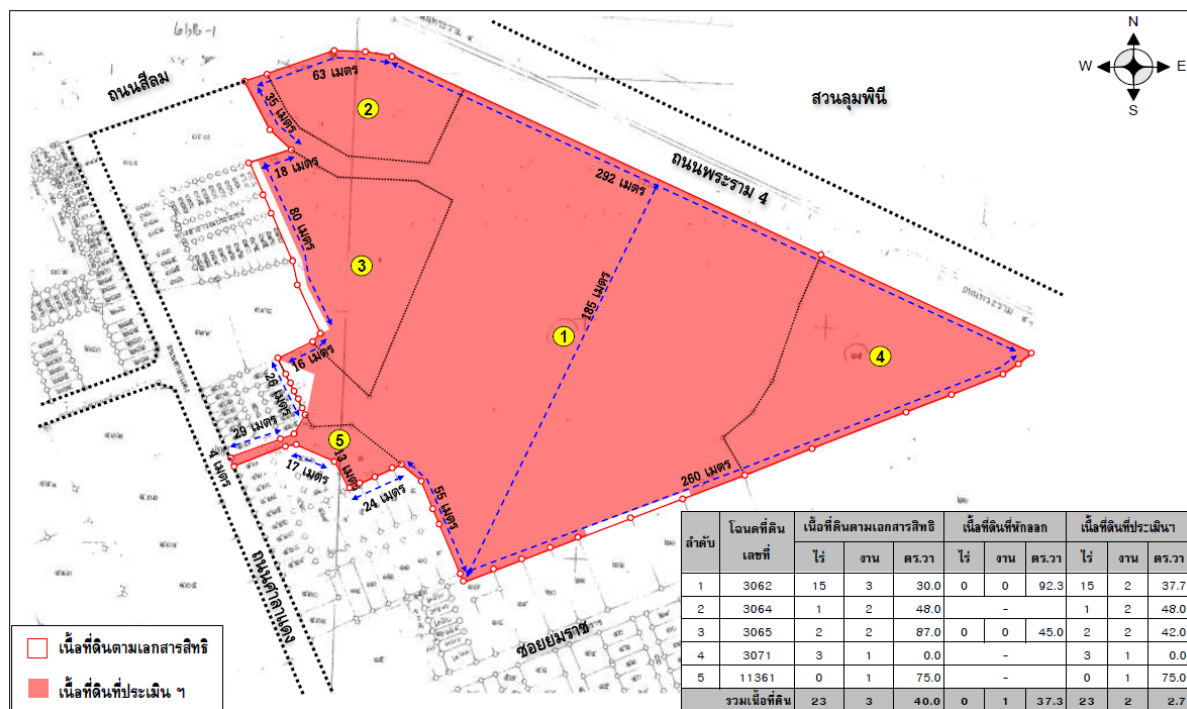
**Attachment 4 : Summary of Appraisal Report of the Assets**

**Summary of Appraisal Report of Asset of land assumed vacant located at the corner of  
Rama 4 road and Silom road, Silom, Bangrak, Bangkok**

Jones Lang LaSalle (Thailand) Limited (the appraiser) has appraised the value of asset of land assumed vacant which has area of approx.23 rais 2 ngan 2.72 sq. wah. (or approx. 9,402.72 sq. wah) located at the corner of Rama 4 road and Silom road (Saladeang intersection), Silom, Bangrak, Bangkok. The details re as follows;

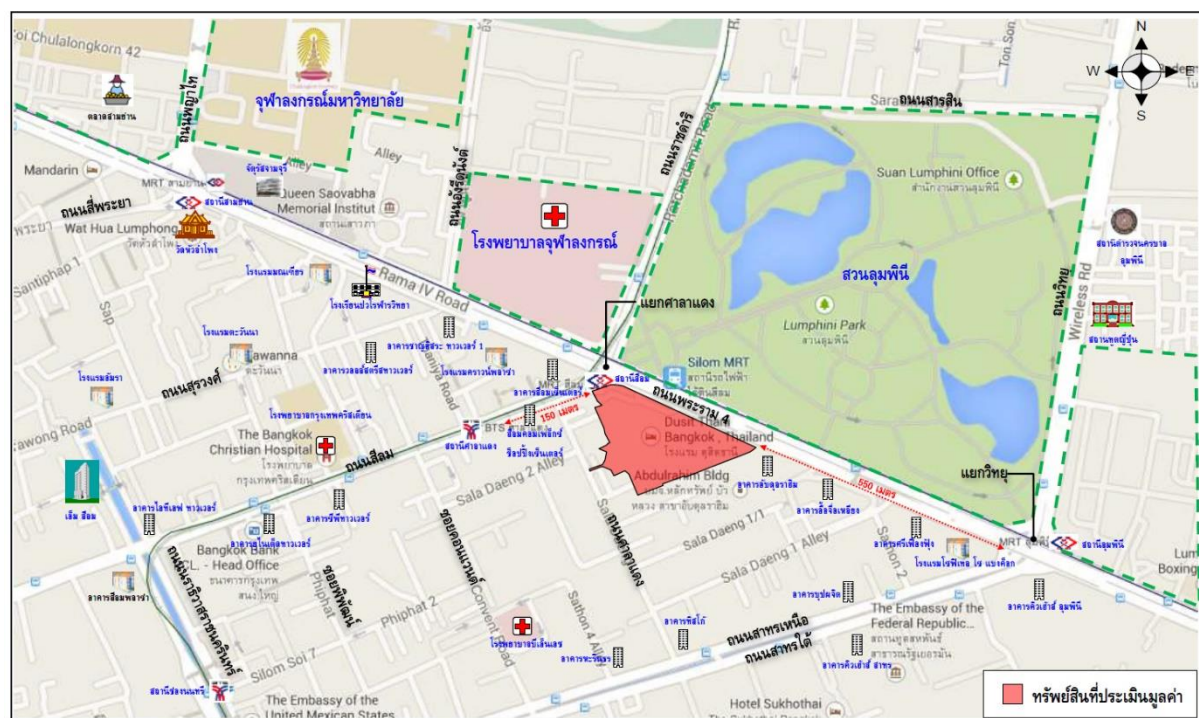
Type of asset	Land assumed vacant
Land area	Approximately 23 rais 2 ngan 2.72 sq. wah. (or approx. 9,402.72 sq. wah.)
Location	At the corner of Rama 4 road and Silom road (Saladeang intersection), Silom, Bangrak, Bangkok. The site is opppsite to Lumpini park, adjacent to Silom station of MRT and 150 metres from Saladeang station of BTS.
Details of assets	<p>Currently, the land assumed vacant is the location of Dusit Thani Bangkok Hotel, Thai Life Insurance building (former), Olympia building (former) and 9 shop houses. The site consist of 5 title deeds with total land area of approx. 23 rais 3 ngan 40 sq. wah. or approx. 9,540 sq. wah. The company wishes not to appraise part of the land are of approx. 137.58 sq. wah. or 0.3432 rai. Therefore, the land area under the appraisal is approximately 23 rais 2 ngan 2.72 sq. wah. (or approx. 9,402.72 sq. wah.)</p> <p>The land is irregular shape, with frontage of 292 metres width on the north bound by Rama 4 road and 63 metres width on the west bound by Silom road. The land connects to Soi Saladeang by 4 metres lane on the south. The average depth of land is 190 metres, filled and graded at the level with the grade of the fronting road.</p>
Owner	The Crown Property Bureau of Thailand
Details in certificate of ownership	5 title deeds: No. 3062, 2064, 3065, 3071 and 11361
Obligations	<ul style="list-style-type: none"> <li>● Part of the land title deed No. 3062 is under the 15-year lease agreement for period of 1 April 2003 to 31 March 2018.</li> <li>● Land title deed No. 3064 and 3065 are under 15-year lease agreement for period of 1 April 2003 to 31 March 2018.</li> </ul> <p>The remaining term of such lease agreement is 1 year 2 month and 14 days.</p>
Date of Appraisal	1 February 2017
Purpose	For Public
Valuation	THB 7,880,000,000 or THB 838,906 per sq. wah for the lease terms of 30 + 30 years

### Site plan



Source : The appraisal report of Jones Lang LaSalle (Thailand) Limited

### Vicinity map



Source : The appraisal report of Jones Lang LaSalle (Thailand) Limited

## Valuation Methodology

The appraiser considers the asset value by market comparison approach method and hypothetical development project approach method to analyze and determine the appropriate value.

### 1. Market Comparison Approach

The appraiser appraised the fair market value by market comparison approach in which the actual land selling/buying price and the offering price of land in the vicinity in the past are investigated and compared. The appraiser also considers several factors such as the location, physical characteristics, rules and regulations which put impact on the land value. Moreover, the period of historical transactions and the negotiation in bidding transactions for property development in Central Business District of Bangkok which has the FAR 10:1 (commercial area/ Por 5 as classified by the Department of City Planning) and vicinity. The land market data are as follows;

#### Historical Data

Plot	Location	Land area (rai)	Year of transaction	Price	
				THB mil.	THB/sq.m.
Land on Chidlom Road, Wireless Road and Langsuan Road					
3	Langsuan Road, 1 kilometre from BTS Chidlom station	2.28	2559	1,529	1,352,272
4	Chidlom Road, 300 metres from BTS Chidlom station	3.06	2559	2,334	1,907,043
5	Wireless Road, 600 metres from BTS Pleonchit station	4.62	2559	1,850	1,000,570
9	Wireless Road, 450 metres from BTS Pleonchit station	1.81	2558	957	1,322,436
27	Wireless Road, 450 metres from MRT Lumpini station	7.92	2553	2,533	800,000
29	Wireless Road, 240 metres from BTS Pleonchit station	2.06	2553	1,235	1,500,000
Land of Pleonchit Road and Sukhumvit Road					
8	Corner of Sukhumvit Road and Soi Sukhumvit 36, close to BTS Thonglor station.	7.1	2558	3549	1,250,000
10	Corner of Sukhumvit Road and Soi Sukhumvit 32, 340 metres from BTS Thonglor station.	1.92	2558	1133	1,472,692
12	Corner of Sukhumvit Road and Soi Sukhumvit 6, next to BTS Nana station.	3.42	2557	2329	1,700,000
21	Soi Sukhumvit 22 and 24, 640 metres from BTS Prompong station.	13.71	2556	3995	745,100
22	Sukhumvit Road, 60 metres from BTS Prompong station.	2.62	2556	1500	1,432,665
23	Corner of Sukhumvit Road and Soi Sukhumvit 6, next to BTS Nana station.	3.11	2551	1240	996,704
25	Pleonchit Road, next to BTS Ploenchit station.	2.76	2554	1609	1,455,693
30	Sukhumvit Road, 150 metres from BTS Thonglor station.	1.72	2553	480	700,000
32	Pleonchit Road, next to BTS Ploenchit station.	1.5	2552	900	1,500,000

Plot	Location	Land area (rai)	Year of transaction	Price	
				THB mil.	THB/sq.m.
34	Ploenchit intersection, 100 metres from BTS Ploenchit station.	9	2549	3401	944,722
<b>Land on Silom Road, Sathorn Road and Rama 4 Road</b>					
6	Silom Road, 330 metres from BTS Chongnonsee station.	2.37	2558	1349	1,423,207
11	Rama 4 Road, 180 meters from MRT Samyan station.	4.22	2558	1540	912,106
13	South Sathorn Road, 650 metres from MRT Lumpini station.	3.22	2557	1869	1,450,000
14	Soi Saladeang 1, 90 metres from Rama 4 Road, 450 metres from MRT Lumpini station.	1.74	2557	974	1,400,000
16	North Sathorn Road, next to BTS Surasak station.	1.54	2556	765	1,243,902
17	Rama 4 Road, 390 metre from MRT Hualumpong station.	2.83	2556	452	400,000
18	Rama 4 Road, 550 metres from BTS Prakanong station.	1.87	2556	209	280,000
19	Rama 4 Road, 200 metres from MRT Samyan station.	5.9	2556	1418	600,813
26	South Sathorn Road, 60 metres from BTS Surasak station.	5.78	2553	1618	700,000
31	South Sathorn Road, 230 from BTS Taksin station.	4.83	2553	850	440,000
33	Corner of South Sathorn Road and Soi Sathorn 11, 480 meters from BTS Surasak station.	4.74	2551	1400	800,000
<b>Land on Asoke Montri Road, Ratchadapisek Road, Rama 9 Road and Petchaburi Road</b>					
1	Corner of Asoke-Dindeang Road, 200 metres from MRT Pharam 9 station and 700 metres from Airport Raillink Makasun station.	2.23	2559	790	885,353
2	Corner of Asoke-Dindeang and Municipal Road, 400 metres from MRT Pharam 9 station and 550 metres from Airport Raillink Makasun station.	1.67	2559	445	666,064
7	Petchaburi Road, 260 metres from BTS Ratchadevi station.	1.53	2558	704	1,150,229
15	Asoke-Dindeang Road, 400 metres from MRT Pharam 9 station and 570 metres from Airport Raillink Makasun station.	1.57	2557	315	501,879
20	Corner of Petchaburi Road and Soi Petchaburi 9, 300 metres from BTS Ratchadevi station.	1.61	2556	582	750,000
24	Corner of Petchaburi Road and Asokemonrti Road, 30 metres from MRT Petchaburi station.	9.87	2554	2053	520,000
28	Ratchadaphisek Road, 450 metres from MRT Thai Cultural Center station.	9.66	2553	1623	420,000

### Survey Plot Offering Price

Plot	Location	Land area (rai)	Offering Price (THB/sq.m.)
35	North Sathorn Road, 580 metres from MRT Lumpini station.	1.04	1,700,000
36	Silom Road, Soi 26 and Soi Pramote, 920 metres BTS Chongnonsee station.	3.94	2,200,000
37	Rama 4 Road and Soi Seangchan, 1.2 kilometres from BTS Prakanong station.	7.56	700,000
38	Rama 4 Road, 1.2 kilometres from BTS Prakanong station.	1.30	385,356

Base on recent sales transaction after making adjustment in order to compare with the appraised land, the appraiser views that the market value of land plot area 3 rais (from approx. 24 rais) which locate on the best location should be approx. THB 2,600,000 per sq.wah.

However, normally, the market value of the big plot of land is lower than small plot of land when compare per sq.wah price. Therefore, the market value of land plot area of approx. 24 rais should be adjusted to reflect the impact from Net FAR dilution effect by 4 - 4.5:1 when compare with land plot area 3 rais which has 6:1. The value reduce by 25 - 30%, Even though they have the same Gross FAR at 10:1. That is because the small plot of land can be developed the residence with highest price per sq.m., while big plot of land development need to blend with other sellable area with other area which result in lower Gross Development Value per sq.m. So, the value should be adjusted to indicate GDV average price dilution effect, when compare with land plot area 3 rais (THB 2.5 Million per sq. wah). After considering both factors the value of big land plot (apprx 24 rais) should be adjusted down by 40% - 50%

By market comparison approach method, the appraised value of vacant land area approximately 23 rais 2 ngan 2.72 sq. wah. (or approx. 9,402.72 sq. wah.) at the corner of Rama 4 Road and Silom Road should be THB 1,500,000 per sq. wah, in average, or THB 14,104,000,000, in total, at the date of valuation.

### IFA Opinion

In applying the market comparison approach method to appraise the vacant land area approximately 23 rais 2 ngan 2.72 sq. wah. (or approx. 9,402.72 sq. wah.) at the corner of Rama 4 Road and Silom Road, the appraiser has considered vacant land in vicinity area which have similar characteristics such as location, period of sale transaction, utilization, terms of payment as well as surveyed 38 comparable plots of land which have offering price in the range of THB 280,000 to THB 2,200,000 per sq.wah. After value adjustments and weighted average by 40%, the final value of the appraised land is THB 1,500,000 per sq.wah. or THB 14,104,000,000, in total.

Hoever, IFA views that the market comparison approach method is unappropriated due to the historical data of sale transaction are unable to reflect expeted rate of return of the appraised land.

## 2. Income Approach (by Applying Land Yield and Present Value)

By employ this method, the appraiser will analyse the value by applying market comparison approach method to determine value of freehold land, then compare the land yield and adjust by present value.

According to data survey, lately, most of land lease in area of Pleonchit Road, Wireless Road, Ratchadamri Road and Soi Mahadlekluang are for development of high-end residence with 30-year lease term such as The Residence at The St. Regis Bangkok, Hansa, Anantara (Baan Ratchaprasong) and Magnolia Ratchadamri Boulevard. For land lease on Pleonchit road, there are some mixed-use projects such as Park Venture, Gasorn Plaza, Central World and Siam Paragon. Details are as follows;

No	Project	Land area (rai)	Lease term (years)	Date of appraisal	Freehold value		Rate of return on Land	
					THB/sq.m.	THB/sq.m.	%	%
1	Sathron Square and W Bangkok	9.95	30	Jul 2007	300,000	350,000	2.50	2.10
2	Park Venture	5.09	30	Aug 2007	800,000	900,000	2.40	2.10
3	Gasorn Tower	4.4	30	Apr 2008	750,000	850,000	2.40	2.2
4	The St.Regis Bangkok	3	30	Jul 2007	500,000	600,000	2.40	2.00
5	Hansa Residence Bangkok	2.76	30	Dec 2006	350,000	400,000	2.40	2.10
6	Anantra Ratchaprasong	3.25	30	Jan 2006	300,000	350,000	2.50	2.10
7	One @ Samyan	4.06	20	Oct 2012	140,000	160,000	2.40	2.10
8	Ascot Sathorn	4.43	50	Dec 2011	200,000	240,000	2.50	2.10
9	Terminal 21	9.16	30	Mar 2006	300,000	350,000	2.50	2.10
10	Sivadol Building	6.37	50	Jun 2016	1,700,000	1,900,000	2.30	2.10

Refer to the above table, the appraiser summarized that, base on the market comparison approach methos, the land value is THB 1,500,000 per sq.wah. or THB 14,104,000,000, in total, considering land rental 2.3% per year equal to THB 324,393,840.

Details	Assumptions
<b>Period of projection</b>	
Land lease right	60 years
<b>Revenue projection</b>	
60 years	Average market value THB 1,500,000 per sq. wah. <ul style="list-style-type: none"> <li>Rental rate approx. 2.3% of freehold value</li> <li>Rental growth rate approx. 10% every 3 years</li> </ul>
<b>Discount Rate</b>	Approx. 7%

The appraiser employed income approach method and found the value of land lease right over 60 years is THB 7,888,000,000.

## IFA Opinion

In applying the income approach method to appraise the vacant land area approximately 23 rais 2 ngan 2.72 sq. wah. (or approx. 9,402.72 sq. wah.) at the corner of Rama 4 Road and Silom Road, the appraiser has estimated rental income, expenses and rate of return of surrounding project, and also analyzed conditions of undevelopment land including other related factors. The final outcome indicates the appropriate value. The IFA viewed that valuation by consider present value of income approach is appropriate for this land appraisal.

## 3 Hypothetical Development Project Approach

The hypothetical development project approach is the method that the value of appraised property is base on developer perspective. The developer will consider buying land or investing in the project at the price which more than the value of completed project less the project cost and expenses. Moreover, the return to the investor have to be at satisfied level. The result from this method is the acceptable market value of land from developer's perspective, under the assumptions of highest and best use. The appraiser assumed the project information; type of project, space utilization allocation, and estimate construction cost, provided by the Company as follows,

Details	Assumptions										
<b>Type of development project</b>											
Type of project	Mixed-use project consisting of <table> <tr> <td>1 5-star Hotel</td><td>: 42,000.00 sq.m.</td></tr> <tr> <td>2 Office Grade A</td><td>: 94,213.00 sq.m.</td></tr> <tr> <td>3 Residence</td><td>: 82,513.00 sq.m.</td></tr> <tr> <td>4 Retail shopping center</td><td>: 70,633.00 sq.m.</td></tr> <tr> <td>5 parking</td><td>: 113,444.00 sq.m.</td></tr> </table>	1 5-star Hotel	: 42,000.00 sq.m.	2 Office Grade A	: 94,213.00 sq.m.	3 Residence	: 82,513.00 sq.m.	4 Retail shopping center	: 70,633.00 sq.m.	5 parking	: 113,444.00 sq.m.
1 5-star Hotel	: 42,000.00 sq.m.										
2 Office Grade A	: 94,213.00 sq.m.										
3 Residence	: 82,513.00 sq.m.										
4 Retail shopping center	: 70,633.00 sq.m.										
5 parking	: 113,444.00 sq.m.										
Proportion of developed area	<table> <tr> <td>GFA</td><td>: 289,359.00 sq.m.</td></tr> <tr> <td>Sellable area</td><td>: 184,178.00 sq.m.</td></tr> <tr> <td>Parking</td><td>: 113,444.00 sq.m.</td></tr> </table>	GFA	: 289,359.00 sq.m.	Sellable area	: 184,178.00 sq.m.	Parking	: 113,444.00 sq.m.				
GFA	: 289,359.00 sq.m.										
Sellable area	: 184,178.00 sq.m.										
Parking	: 113,444.00 sq.m.										
<b>Project revenue projection</b>											
5-star hotel revenue	Revenue assumptions; <table> <tr> <td>Area of rooms</td><td>: 120,450.00 sq.m.</td></tr> <tr> <td>Occupancy rate</td><td>: 75 %</td></tr> <tr> <td>Average room rate</td><td>: THB 5,800</td></tr> <tr> <td>F&amp;B revenue</td><td>: THB 1,500 /RNS</td></tr> </table>	Area of rooms	: 120,450.00 sq.m.	Occupancy rate	: 75 %	Average room rate	: THB 5,800	F&B revenue	: THB 1,500 /RNS		
Area of rooms	: 120,450.00 sq.m.										
Occupancy rate	: 75 %										
Average room rate	: THB 5,800										
F&B revenue	: THB 1,500 /RNS										
Office Gradw A revenue	Revenue assumptions; <table> <tr> <td>Rentable area</td><td>: 59,354.00 sq.m.</td></tr> <tr> <td>Occupancy rate</td><td>: 90%</td></tr> <tr> <td>Rental rate</td><td>: THB 1,400 /sq.m./month</td></tr> </table>	Rentable area	: 59,354.00 sq.m.	Occupancy rate	: 90%	Rental rate	: THB 1,400 /sq.m./month				
Rentable area	: 59,354.00 sq.m.										
Occupancy rate	: 90%										
Rental rate	: THB 1,400 /sq.m./month										
Residence revenue	Revenue assumptions; <table> <tr> <td>Sellable area</td><td>: 48,100.00 sq.m.</td></tr> <tr> <td>Selling price</td><td>: THB 270,000.00 / sq.m.</td></tr> </table>	Sellable area	: 48,100.00 sq.m.	Selling price	: THB 270,000.00 / sq.m.						
Sellable area	: 48,100.00 sq.m.										
Selling price	: THB 270,000.00 / sq.m.										
Retail Shopping Center revenue	Revenue assumptions; <table> <tr> <td>Rentable area</td><td>: 47,324.00 sq.m.</td></tr> <tr> <td>Rental rate</td><td>: THB 2,200 /sq.m./month</td></tr> </table>	Rentable area	: 47,324.00 sq.m.	Rental rate	: THB 2,200 /sq.m./month						
Rentable area	: 47,324.00 sq.m.										
Rental rate	: THB 2,200 /sq.m./month										

Details	Assumptions
<b>Estimated Development Cost</b>	
Construction cost	Constrction cost depends on type of building as follows; 1 5-star Hotel : THB 42,000.00 /sq.m. 2 Office Grade A : THB 35,000.00 /sq.m. 3 Resindece : THB 53,000.00 /sq.m. 4 Retail Shopping Center : THB 27,000.00 /sq.m. 5 Parking : THB 25,000.00 /sq.m.
Landscape	THB 20,000 /sq.m.
<b>Estimated Operating Expenses</b>	
5-star Hotel expenses	Operating expesnes; 1 Operating cost : 45% (55% GOP) 2 Admin Expenses : 18% of total revenue 3 Property tax : 1.5% of total revenue 4 Insurance : THB 9.00 million/room
Office Grade A expenses	Operating expesnes; 1 Other expenses : 12% of total revenue 2 Admin Expenses : THB 100/sq.m./month 3 Housing tax : 40% of total revenue
Retail Shopping Center expense	Operating expesnes; 1 Other expenses : 12% of total revenue 2 Admin Expenses : THB 160/sq.m./month 3 Housing tax : 40% of total revenue

The valuation is calculated based on Net Residual Land Value which results in the land value of THB 840,000 per sq.m., in average, or THB 7,900,000,000, in total.

#### IFA Opinion

In applying the hypothetical development project approach method to appraise the vacant land area approximately 23 rais 2 ngan 2.72 sq. wah. (or approx. 9,402.72 sq. wah.) at the corner of Rama 4 Road and Silom Road, the appraiser considered land development capability, estimated income and expenses, and type of development project. However, this plot of land is considered huge area which requires long development period. Therefore, there are many uncertainties that may affect the assumptions of the revenue or construction cost which ultimately put high impact on the land value.

IFA views that the valuation based on hypothetical development project approach and land residual method is inappropriate for this plot of land.



## Attachment 5 : Assumption on the Discount Rate

### 1. Investment in HRRJV

Due to company will enter into investmen in JV, IFA, therefore, mainly considers cash flow from dividend. Shareholder's required rate of return ( $K_e$ ) will be applied as a discount rate to reflect appropriate risk factor. In calculating  $K_e$  IFA applies Capital Assets Pricing Model (CAPM) sa details below;

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

$K_e$	=	shareholder's required rate of return
Risk Free Rate ( $R_f$ )	=	Risk Free Rate, reference from 25-year Government Bond yield = 3.40% p.a. (reference: <a href="http://www.thaibma.or.th">www.thaibma.or.th</a> as of 31 December 2016)
$R_m$	=	Market Return, 25-year average rate of return on investment in the Stock Exchange of Thailand (SET), reference from average daily rate of return on investment in SET over 25 years back from 31 December 2016 = 9.12 % p.a. which is better reflect the investment in SET. reference: <a href="http://www.set.or.th">www.set.or.th</a> )
Beta ( $\beta$ )	=	1-year average daily volatility among the rate of return of HRRJV compared to return on investment in SET during 1 January 2016 to 31 December 2016 which is 0.62 times (source : Bloomberg). IFA uses 0.62 as a Beta of the company in calculating required rate of return of HRRJV due to the total investment of HRRJV is the investment in hotel business for 60 years and in residence for less than 10 years. The hotel will be developed under the same concept of Dusit Thani Bangkok Hotel IFA deleverage to get Beta by assuming 100% equity capital and the leveraged Beta to reflect HRRJV capital structure by applying Hamada Equation

$$\beta_L = \beta_U \times (1 + ((1 - T) \times (D / E)))$$

$\beta_L$	=	average daily volatility among the rate of return compared to return on investment in SET.
$\beta_U$	=	average daily volatility among the rate of return compared to return on investment in SET assuming 100% equity capital.
T	=	Corporate income tax 20%
D	=	Interest bearing debt
E	=	Shareholder's equity

From Hamada Equation and related variables,  $\beta_L$  of HRRJV are;

Year B.E.	$\beta_L$ of DTC	Deleveraged			$\beta_U$	Leveraged			$\beta_L$ of HRRJV
		D of DTC	E of DTC	T		D of HRRJV	E of HRRJV	T	
2017	0.62x	1,676.46	5,354.09	20.00%	0.50x	841.68	1,102.76	20.00%	0.80x
2018	0.62x	1,676.46	5,354.09	20.00%	0.50x	841.68	1,065.72	20.00%	0.81x
2019	0.62x	1,676.46	5,354.09	20.00%	0.50x	2,055.46	971.80	20.00%	1.33x
2020	0.62x	1,676.46	5,354.09	20.00%	0.50x	3,111.26	866.06	20.00%	1.92x
2021	0.62x	1,676.46	5,354.09	20.00%	0.50x	3,111.26	660.03	20.00%	2.37x
2022	0.62x	1,676.46	5,354.09	20.00%	0.50x	3,754.21	563.05	20.00%	3.14x
2023	0.62x	1,676.46	5,354.09	20.00%	0.50x	3,754.21	418.10	20.00%	4.06x
2024	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	446.57	20.00%	0.50x
2025	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	569.20	20.00%	0.50x
2026	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	734.06	20.00%	0.50x
2027	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	900.50	20.00%	0.50x
2028	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,008.97	20.00%	0.50x
2029	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,105.40	20.00%	0.50x
2030	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,111.11	20.00%	0.50x
2031	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,120.15	20.00%	0.50x
2032	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,129.63	20.00%	0.50x
2033	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,139.48	20.00%	0.50x
2034	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,149.62	20.00%	0.50x
2035	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,159.58	20.00%	0.50x
2036	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,170.04	20.00%	0.50x
2037	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,180.93	20.00%	0.50x
2038	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,192.31	20.00%	0.50x
2039	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,204.20	20.00%	0.50x
2040	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2041	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2042	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2043	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2044	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2045	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2046	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2047	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2048	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2049	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2050	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2051	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2052	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2053	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2054	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2055	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2056	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2057	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x

Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets

Year B.E.	$\beta_L$ of DTC	Deleveraged			$\beta_U$	Leveraged			$\beta_L$ of HRRJV
		D of DTC	E of DTC	T		D of HRRJV	E of HRRJV	T	
2058	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2059	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2060	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2061	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2062	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2063	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2064	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2065	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2066	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2067	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2068	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2069	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2070	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2071	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2072	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2073	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2074	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2075	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2076	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,936.65	20.00%	0.50x
2077	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,837.73	20.00%	0.50x
2078	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,740.17	20.00%	0.50x
2079	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,643.52	20.00%	0.50x
2080	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,548.70	20.00%	0.50x
2081	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,453.37	20.00%	0.50x
2082	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,359.58	20.00%	0.50x
2626	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,266.80	20.00%	0.50x
2627	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2017	0.62x	1,676.46	5,354.09	20.00%	0.50x	841.68	1,102.76	20.00%	0.80x
2018	0.62x	1,676.46	5,354.09	20.00%	0.50x	841.68	1,065.72	20.00%	0.81x
2019	0.62x	1,676.46	5,354.09	20.00%	0.50x	2,055.46	971.80	20.00%	1.33x
2020	0.62x	1,676.46	5,354.09	20.00%	0.50x	3,111.26	866.06	20.00%	1.92x
2021	0.62x	1,676.46	5,354.09	20.00%	0.50x	3,111.26	660.03	20.00%	2.37x
2022	0.62x	1,676.46	5,354.09	20.00%	0.50x	3,754.21	563.05	20.00%	3.14x
2023	0.62x	1,676.46	5,354.09	20.00%	0.50x	3,754.21	418.10	20.00%	4.06x
2024	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	446.57	20.00%	0.50x
2025	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	569.20	20.00%	0.50x
2026	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	734.06	20.00%	0.50x
2027	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	900.50	20.00%	0.50x
2028	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,008.97	20.00%	0.50x
2029	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,105.40	20.00%	0.50x
2030	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,111.11	20.00%	0.50x
2031	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,120.15	20.00%	0.50x
2032	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,129.63	20.00%	0.50x
2033	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,139.48	20.00%	0.50x

Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets

Year B.E.	$\beta_L$ of DTC	Deleveraged			$\beta_U$	Leveraged			$\beta_L$ of HRRJV
		D of DTC	E of DTC	T		D of HRRJV	E of HRRJV	T	
2034	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,149.62	20.00%	0.50x
2035	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,159.58	20.00%	0.50x
2036	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,170.04	20.00%	0.50x
2037	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,180.93	20.00%	0.50x
2038	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,192.31	20.00%	0.50x
2039	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,204.20	20.00%	0.50x
2040	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2041	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2042	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2043	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2044	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2045	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2046	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2047	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2048	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2049	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2050	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2051	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2052	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2053	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2054	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2055	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2056	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2057	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2058	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2059	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2060	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2061	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2062	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2063	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2064	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2065	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2066	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2067	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2068	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2069	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2070	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2071	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2072	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2073	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2074	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2075	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x
2076	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,936.65	20.00%	0.50x
2077	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,837.73	20.00%	0.50x

Year B.E.	$\beta_L$ of DTC	Deleveraged			$\beta_U$	Leveraged			$\beta_L$ of HRRJV
		D of DTC	E of DTC	T		D of HRRJV	E of HRRJV	T	
2078	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,740.17	20.00%	0.50x
2079	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,643.52	20.00%	0.50x
2080	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,548.70	20.00%	0.50x
2081	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,453.37	20.00%	0.50x
2082	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,359.58	20.00%	0.50x
2083	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,266.80	20.00%	0.50x
2084	0.62x	1,676.46	5,354.09	20.00%	0.50x	-	1,210.00	20.00%	0.50x

From Capital Assets Pricing Model and related variables, Shareholder's required rate of return ( $K_e$ ) of DTC are;

Year	$R_f$	$R_m$	$\beta_L$ of HRRJV	$K_e$
2017	3.40%	9.12%	0.80x	7.97%
2018	3.40%	9.12%	0.81x	8.03%
2019	3.40%	9.12%	1.33x	11.04%
2020	3.40%	9.12%	1.92x	14.39%
2021	3.40%	9.12%	2.37x	16.94%
2022	3.40%	9.12%	3.14x	21.38%
2023	3.40%	9.12%	4.06x	26.63%
2024	3.40%	9.12%	0.50x	6.24%
2025	3.40%	9.12%	0.50x	6.24%
2026	3.40%	9.12%	0.50x	6.24%
2027	3.40%	9.12%	0.50x	6.24%
2028	3.40%	9.12%	0.50x	6.24%
2029	3.40%	9.12%	0.50x	6.24%
2030	3.40%	9.12%	0.50x	6.24%
2031	3.40%	9.12%	0.50x	6.24%
2032	3.40%	9.12%	0.50x	6.24%
2033	3.40%	9.12%	0.50x	6.24%
2034	3.40%	9.12%	0.50x	6.24%
2035	3.40%	9.12%	0.50x	6.24%
2036	3.40%	9.12%	0.50x	6.24%
2037	3.40%	9.12%	0.50x	6.24%
2038	3.40%	9.12%	0.50x	6.24%
2039	3.40%	9.12%	0.50x	6.24%
2040	3.40%	9.12%	0.50x	6.24%
2041	3.40%	9.12%	0.50x	6.24%
2042	3.40%	9.12%	0.50x	6.24%
2043	3.40%	9.12%	0.50x	6.24%
2044	3.40%	9.12%	0.50x	6.24%
2045	3.40%	9.12%	0.50x	6.24%
2046	3.40%	9.12%	0.50x	6.24%
2047	3.40%	9.12%	0.50x	6.24%

*Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets*

Year	$R_f$	$R_m$	$\beta_L$ of HRRJV	$K_e$
2048	3.40%	9.12%	0.50x	6.24%
2049	3.40%	9.12%	0.50x	6.24%
2050	3.40%	9.12%	0.50x	6.24%
2051	3.40%	9.12%	0.50x	6.24%
2052	3.40%	9.12%	0.50x	6.24%
2053	3.40%	9.12%	0.50x	6.24%
2054	3.40%	9.12%	0.50x	6.24%
2055	3.40%	9.12%	0.50x	6.24%
2056	3.40%	9.12%	0.50x	6.24%
2057	3.40%	9.12%	0.50x	6.24%
2058	3.40%	9.12%	0.50x	6.24%
2059	3.40%	9.12%	0.50x	6.24%
2060	3.40%	9.12%	0.50x	6.24%
2061	3.40%	9.12%	0.50x	6.24%
2062	3.40%	9.12%	0.50x	6.24%
2063	3.40%	9.12%	0.50x	6.24%
2064	3.40%	9.12%	0.50x	6.24%
2065	3.40%	9.12%	0.50x	6.24%
2066	3.40%	9.12%	0.50x	6.24%
2067	3.40%	9.12%	0.50x	6.24%
2068	3.40%	9.12%	0.50x	6.24%
2069	3.40%	9.12%	0.50x	6.24%
2070	3.40%	9.12%	0.50x	6.24%
2071	3.40%	9.12%	0.50x	6.24%
2072	3.40%	9.12%	0.50x	6.24%
2073	3.40%	9.12%	0.50x	6.24%
2074	3.40%	9.12%	0.50x	6.24%
2075	3.40%	9.12%	0.50x	6.24%
2076	3.40%	9.12%	0.50x	6.24%
2077	3.40%	9.12%	0.50x	6.24%
2078	3.40%	9.12%	0.50x	6.24%
2079	3.40%	9.12%	0.50x	6.24%
2080	3.40%	9.12%	0.50x	6.24%
2081	3.40%	9.12%	0.50x	6.24%
2082	3.40%	9.12%	0.50x	6.24%
2083	3.40%	9.12%	0.50x	6.24%
2084	3.40%	9.12%	0.50x	6.24%
2017	3.40%	9.12%	0.80x	7.97%
2018	3.40%	9.12%	0.81x	8.03%
2019	3.40%	9.12%	1.33x	11.04%
2020	3.40%	9.12%	1.92x	14.39%
2021	3.40%	9.12%	2.37x	16.94%
2022	3.40%	9.12%	3.14x	21.38%
2023	3.40%	9.12%	4.06x	26.63%
2024	3.40%	9.12%	0.50x	6.24%

Year	$R_f$	$R_m$	$\beta_L$ of HRRJV	$K_e$
2025	3.40%	9.12%	0.50x	6.24%
2026	3.40%	9.12%	0.50x	6.24%
2027	3.40%	9.12%	0.50x	6.24%
2028	3.40%	9.12%	0.50x	6.24%
2029	3.40%	9.12%	0.50x	6.24%
2030	3.40%	9.12%	0.50x	6.24%
2031	3.40%	9.12%	0.50x	6.24%
2032	3.40%	9.12%	0.50x	6.24%
2033	3.40%	9.12%	0.50x	6.24%
2034	3.40%	9.12%	0.50x	6.24%
2035	3.40%	9.12%	0.50x	6.24%
2036	3.40%	9.12%	0.50x	6.24%
2037	3.40%	9.12%	0.50x	6.24%
2038	3.40%	9.12%	0.50x	6.24%
2039	3.40%	9.12%	0.50x	6.24%
2040	3.40%	9.12%	0.50x	6.24%
2041	3.40%	9.12%	0.50x	6.24%
2042	3.40%	9.12%	0.50x	6.24%
2043	3.40%	9.12%	0.50x	6.24%
2044	3.40%	9.12%	0.50x	6.24%
2045	3.40%	9.12%	0.50x	6.24%
2046	3.40%	9.12%	0.50x	6.24%
2047	3.40%	9.12%	0.50x	6.24%
2048	3.40%	9.12%	0.50x	6.24%
2049	3.40%	9.12%	0.50x	6.24%
2050	3.40%	9.12%	0.50x	6.24%
2051	3.40%	9.12%	0.50x	6.24%
2052	3.40%	9.12%	0.50x	6.24%
2053	3.40%	9.12%	0.50x	6.24%
2054	3.40%	9.12%	0.50x	6.24%
2055	3.40%	9.12%	0.50x	6.24%
2056	3.40%	9.12%	0.50x	6.24%
2057	3.40%	9.12%	0.50x	6.24%
2058	3.40%	9.12%	0.50x	6.24%
2059	3.40%	9.12%	0.50x	6.24%
2060	3.40%	9.12%	0.50x	6.24%
2061	3.40%	9.12%	0.50x	6.24%
2062	3.40%	9.12%	0.50x	6.24%
2063	3.40%	9.12%	0.50x	6.24%
2064	3.40%	9.12%	0.50x	6.24%
2065	3.40%	9.12%	0.50x	6.24%
2066	3.40%	9.12%	0.50x	6.24%
2067	3.40%	9.12%	0.50x	6.24%
2068	3.40%	9.12%	0.50x	6.24%
2069	3.40%	9.12%	0.50x	6.24%

*Opinion of the Independent Financial Advisor Regarding to Acquisition and Disposition of the Assets*

Year	$R_f$	$R_m$	$\beta_L$ of HRRJV	$K_e$
2070	3.40%	9.12%	0.50x	6.24%
2071	3.40%	9.12%	0.50x	6.24%
2072	3.40%	9.12%	0.50x	6.24%
2073	3.40%	9.12%	0.50x	6.24%
2074	3.40%	9.12%	0.50x	6.24%
2075	3.40%	9.12%	0.50x	6.24%
2076	3.40%	9.12%	0.50x	6.24%
2077	3.40%	9.12%	0.50x	6.24%
2078	3.40%	9.12%	0.50x	6.24%
2079	3.40%	9.12%	0.50x	6.24%
2080	3.40%	9.12%	0.50x	6.24%
2081	3.40%	9.12%	0.50x	6.24%
2082	3.40%	9.12%	0.50x	6.24%
2083	3.40%	9.12%	0.50x	6.24%
2084	3.40%	9.12%	0.50x	6.24%



## 2. Investment in REJV

Due to company will enter into investmen in JV, IFA, therefore, mainly considers cash flow from dividend. Shareholder's required rate of return ( $K_e$ ) will be applied as a discount rate to reflect appropriate risk factor. In calculating  $K_e$  IFA applies Capital Assets Pricing Model (CAPM) sa details below;

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

- $K_e$  = shareholder's required rate of return
- Risk Free Rate ( $R_f$ ) = Risk Free Rate, reference from 25-year Government Bond yield = 3.40% p.a. (reference: [www.thaibma.or.th](http://www.thaibma.or.th) as of 31 December 2016)
- $R_m$  = Market Return, 25-year average rate of return on investment in the Stock Exchange of Thailand (SET), reference from average daily rate of return on investment in SET over 25 years back from 31 December 2016 = 9.12 % p.a. which is better reflect the investment in SET. reference: [www.set.or.th](http://www.set.or.th))
- Beta ( $\beta$ ) = 1-year average daily volatility among the rate of return of REJV compared to return on investment in SET during 1 January 2016 to 31 December 2016 which IFA uses Beta of CPN which is 1.13 tiimes (source: Bloomberg) in calculating required rate of return of REJV because REJV will develop retail shopping center which is core business of CPN and CPN is also partner of retail shopping center..IFA deleverage to get Beta by assuming 100% equity capital and the leveraged Beta to reflect REJV capital structure by applying Hamada Equation.

$$\beta_L = \beta_U \times (1 + ((1 - T) \times (D / E)))$$

- $\beta_L$  = average daily volatility among the rate of return compared to return on investment in SET.
- $\beta_U$  = average daily volatility among the rate of return compared to return on investment in SET assuming 100% equity capital.
- T = Corporate income tax 20%
- D = Interest bearing debt
- E = Shareholder's equity

Form Hamada Equation and related variables,  $\beta_L$  of REJV are;

Year	$\beta_L$ of CPN	Deleveraged			$\beta_U$	Leveraged			$\beta_L$ of REJV
		D of CPN	E of CPN	T		D of REJV	E of REJV	T	
2017	1.13x	17,904.29	53,004.80	20.00%	0.89x	400.94	171.93	20.00%	2.55x
2018	1.13x	17,904.29	53,004.80	20.00%	0.89x	816.26	310.39	20.00%	2.77x
2019	1.13x	17,904.29	53,004.80	20.00%	0.89x	1,072.02	395.83	20.00%	2.82x
2020	1.13x	17,904.29	53,004.80	20.00%	0.89x	2,698.09	938.24	20.00%	2.94x
2021	1.13x	17,904.29	53,004.80	20.00%	0.89x	5,463.20	1,878.81	20.00%	2.96x
2022	1.13x	17,904.29	53,004.80	20.00%	0.89x	6,258.00	1,579.11	20.00%	3.72x
2023	1.13x	17,904.29	53,004.80	20.00%	0.89x	6,810.47	1,414.79	20.00%	4.32x
2024	1.13x	17,904.29	53,004.80	20.00%	0.89x	6,686.47	1,412.26	20.00%	4.27x
2025	1.13x	17,904.29	53,004.80	20.00%	0.89x	6,515.24	1,454.85	20.00%	4.08x
2026	1.13x	17,904.29	53,004.80	20.00%	0.89x	6,277.07	1,559.09	20.00%	3.76x
2027	1.13x	17,904.29	53,004.80	20.00%	0.89x	5,971.77	1,730.49	20.00%	3.35x
2028	1.13x	17,904.29	53,004.80	20.00%	0.89x	5,657.67	1,909.82	20.00%	3.00x
2029	1.13x	17,904.29	53,004.80	20.00%	0.89x	5,268.03	2,166.73	20.00%	2.62x
2030	1.13x	17,904.29	53,004.80	20.00%	0.89x	4,827.33	2,472.91	20.00%	2.28x
2031	1.13x	17,904.29	53,004.80	20.00%	0.89x	4,374.00	2,789.70	20.00%	2.01x
2032	1.13x	17,904.29	53,004.80	20.00%	0.89x	4,485.68	3,185.68	20.00%	1.90x
2033	1.13x	17,904.29	53,004.80	20.00%	0.89x	3,900.02	3,572.98	20.00%	1.67x
2034	1.13x	17,904.29	53,004.80	20.00%	0.89x	3,294.96	3,977.41	20.00%	1.48x
2035	1.13x	17,904.29	53,004.80	20.00%	0.89x	2,579.34	4,497.12	20.00%	1.30x
2036	1.13x	17,904.29	53,004.80	20.00%	0.89x	1,786.29	5,092.00	20.00%	1.14x
2037	1.13x	17,904.29	53,004.80	20.00%	0.89x	967.63	5,709.92	20.00%	1.01x
2038	1.13x	17,904.29	53,004.80	20.00%	0.89x	27.32	6,454.82	20.00%	0.89x
2039	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,284.17	20.00%	0.89x
2040	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,083.32	20.00%	0.89x
2041	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,888.45	20.00%	0.89x
2042	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,740.72	20.00%	0.89x
2043	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,498.74	20.00%	0.89x
2044	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,263.49	20.00%	0.89x
2045	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,025.01	20.00%	0.89x
2046	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,782.89	20.00%	0.89x
2047	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,548.34	20.00%	0.89x
2048	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,310.16	20.00%	0.89x
2049	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,067.87	20.00%	0.89x
2050	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	4,834.11	20.00%	0.89x
2051	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	4,596.25	20.00%	0.89x
2052	1.13x	17,904.29	53,004.80	20.00%	0.89x	6,328.91	5,734.87	20.00%	1.68x
2053	1.13x	17,904.29	53,004.80	20.00%	0.89x	5,094.21	6,780.74	20.00%	1.43x
2054	1.13x	17,904.29	53,004.80	20.00%	0.89x	3,721.63	7,951.91	20.00%	1.22x
2055	1.13x	17,904.29	53,004.80	20.00%	0.89x	2,309.04	9,148.89	20.00%	1.07x
2056	1.13x	17,904.29	53,004.80	20.00%	0.89x	648.74	10,594.35	20.00%	0.93x
2057	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	11,012.08	20.00%	0.89x
2058	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	10,763.25	20.00%	0.89x
2059	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	10,513.52	20.00%	0.89x

Year	$\beta_L$ of CPN	Deleveraged			$\beta_U$	Leveraged			$\beta_L$ of REJV
		D of CPN	E of CPN	T		D of REJV	E of REJV	T	
2060	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	10,243.98	20.00%	0.89x
2061	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	9,962.89	20.00%	0.89x
2062	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	9,678.42	20.00%	0.89x
2063	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	9,369.40	20.00%	0.89x
2064	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	9,062.02	20.00%	0.89x
2065	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	8,767.96	20.00%	0.89x
2066	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	8,474.54	20.00%	0.89x
2067	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	8,179.82	20.00%	0.89x
2068	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	7,898.34	20.00%	0.89x
2069	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	7,614.59	20.00%	0.89x
2070	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	7,326.50	20.00%	0.89x
2071	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	7,061.81	20.00%	0.89x
2072	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,791.81	20.00%	0.89x
2073	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,524.31	20.00%	0.89x
2074	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,279.62	20.00%	0.89x
2075	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,035.46	20.00%	0.89x
2076	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,772.60	20.00%	0.89x
2077	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,529.54	20.00%	0.89x
2078	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,257.83	20.00%	0.89x
2079	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	4,938.17	20.00%	0.89x
2080	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	4,587.12	20.00%	0.89x
2081	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	4,136.31	20.00%	0.89x
2082	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	3,506.90	20.00%	0.89x
2083	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	2,623.54	20.00%	0.89x
2084	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	2,209.35	20.00%	0.89x
2017	1.13x	17,904.29	53,004.80	20.00%	0.89x	400.94	171.93	20.00%	2.55x
2018	1.13x	17,904.29	53,004.80	20.00%	0.89x	816.26	310.39	20.00%	2.77x
2019	1.13x	17,904.29	53,004.80	20.00%	0.89x	1,072.02	395.83	20.00%	2.82x
2020	1.13x	17,904.29	53,004.80	20.00%	0.89x	2,698.09	938.24	20.00%	2.94x
2021	1.13x	17,904.29	53,004.80	20.00%	0.89x	5,463.20	1,878.81	20.00%	2.96x
2022	1.13x	17,904.29	53,004.80	20.00%	0.89x	6,258.00	1,579.11	20.00%	3.72x
2023	1.13x	17,904.29	53,004.80	20.00%	0.89x	6,810.47	1,414.79	20.00%	4.32x
2024	1.13x	17,904.29	53,004.80	20.00%	0.89x	6,686.47	1,412.26	20.00%	4.27x
2025	1.13x	17,904.29	53,004.80	20.00%	0.89x	6,515.24	1,454.85	20.00%	4.08x
2026	1.13x	17,904.29	53,004.80	20.00%	0.89x	6,277.07	1,559.09	20.00%	3.76x
2027	1.13x	17,904.29	53,004.80	20.00%	0.89x	5,971.77	1,730.49	20.00%	3.35x
2028	1.13x	17,904.29	53,004.80	20.00%	0.89x	5,657.67	1,909.82	20.00%	3.00x
2029	1.13x	17,904.29	53,004.80	20.00%	0.89x	5,268.03	2,166.73	20.00%	2.62x
2030	1.13x	17,904.29	53,004.80	20.00%	0.89x	4,827.33	2,472.91	20.00%	2.28x
2031	1.13x	17,904.29	53,004.80	20.00%	0.89x	4,374.00	2,789.70	20.00%	2.01x
2032	1.13x	17,904.29	53,004.80	20.00%	0.89x	4,485.68	3,185.68	20.00%	1.90x
2033	1.13x	17,904.29	53,004.80	20.00%	0.89x	3,900.02	3,572.98	20.00%	1.67x
2034	1.13x	17,904.29	53,004.80	20.00%	0.89x	3,294.96	3,977.41	20.00%	1.48x
2035	1.13x	17,904.29	53,004.80	20.00%	0.89x	2,579.34	4,497.12	20.00%	1.30x

Year	$\beta_L$ of CPN	Deleveraged			$\beta_U$	Leveraged			$\beta_L$ of REJV
		D of CPN	E of CPN	T		D of REJV	E of REJV	T	
2036	1.13x	17,904.29	53,004.80	20.00%	0.89x	1,786.29	5,092.00	20.00%	1.14x
2037	1.13x	17,904.29	53,004.80	20.00%	0.89x	967.63	5,709.92	20.00%	1.01x
2038	1.13x	17,904.29	53,004.80	20.00%	0.89x	27.32	6,454.82	20.00%	0.89x
2039	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,284.17	20.00%	0.89x
2040	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,083.32	20.00%	0.89x
2041	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,888.45	20.00%	0.89x
2042	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,740.72	20.00%	0.89x
2043	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,498.74	20.00%	0.89x
2044	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,263.49	20.00%	0.89x
2045	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,025.01	20.00%	0.89x
2046	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,782.89	20.00%	0.89x
2047	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,548.34	20.00%	0.89x
2048	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,310.16	20.00%	0.89x
2049	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,067.87	20.00%	0.89x
2050	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	4,834.11	20.00%	0.89x
2051	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	4,596.25	20.00%	0.89x
2052	1.13x	17,904.29	53,004.80	20.00%	0.89x	6,328.91	5,734.87	20.00%	1.68x
2053	1.13x	17,904.29	53,004.80	20.00%	0.89x	5,094.21	6,780.74	20.00%	1.43x
2054	1.13x	17,904.29	53,004.80	20.00%	0.89x	3,721.63	7,951.91	20.00%	1.22x
2055	1.13x	17,904.29	53,004.80	20.00%	0.89x	2,309.04	9,148.89	20.00%	1.07x
2056	1.13x	17,904.29	53,004.80	20.00%	0.89x	648.74	10,594.35	20.00%	0.93x
2057	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	11,012.08	20.00%	0.89x
2058	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	10,763.25	20.00%	0.89x
2059	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	10,513.52	20.00%	0.89x
2060	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	10,243.98	20.00%	0.89x
2061	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	9,962.89	20.00%	0.89x
2062	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	9,678.42	20.00%	0.89x
2063	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	9,369.40	20.00%	0.89x
2064	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	9,062.02	20.00%	0.89x
2065	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	8,767.96	20.00%	0.89x
2066	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	8,474.54	20.00%	0.89x
2067	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	8,179.82	20.00%	0.89x
2068	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	7,898.34	20.00%	0.89x
2069	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	7,614.59	20.00%	0.89x
2070	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	7,326.50	20.00%	0.89x
2071	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	7,061.81	20.00%	0.89x
2072	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,791.81	20.00%	0.89x
2073	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,524.31	20.00%	0.89x
2074	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,279.62	20.00%	0.89x
2075	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	6,035.46	20.00%	0.89x
2076	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,772.60	20.00%	0.89x
2077	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,529.54	20.00%	0.89x
2078	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	5,257.83	20.00%	0.89x
2079	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	4,938.17	20.00%	0.89x

Year	$\beta_L$ of CPN	Deleveraged			$\beta_U$	Leveraged			$\beta_L$ of REJV
		D of CPN	E of CPN	T		D of REJV	E of REJV	T	
2080	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	4,587.12	20.00%	0.89x
2081	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	4,136.31	20.00%	0.89x
2082	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	3,506.90	20.00%	0.89x
2083	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	2,623.54	20.00%	0.89x
2084	1.13x	17,904.29	53,004.80	20.00%	0.89x	-	2,209.35	20.00%	0.89x

From Capital Assets Pricing Model and related variables, Shareholder's required rate of return ( $K_e$ ) of DTC are;

Year	$R_f$	$R_m$	$\beta_L$ of REJV	$K_e$
2017	3.40%	9.12%	2.55x	18.02%
2018	3.40%	9.12%	2.77x	19.23%
2019	3.40%	9.12%	2.82x	19.55%
2020	3.40%	9.12%	2.94x	20.24%
2021	3.40%	9.12%	2.96x	20.37%
2022	3.40%	9.12%	3.72x	24.67%
2023	3.40%	9.12%	4.32x	28.15%
2024	3.40%	9.12%	4.27x	27.82%
2025	3.40%	9.12%	4.08x	26.78%
2026	3.40%	9.12%	3.76x	24.93%
2027	3.40%	9.12%	3.35x	22.58%
2028	3.40%	9.12%	3.00x	20.59%
2029	3.40%	9.12%	2.62x	18.42%
2030	3.40%	9.12%	2.28x	16.47%
2031	3.40%	9.12%	2.01x	14.90%
2032	3.40%	9.12%	1.90x	14.25%
2033	3.40%	9.12%	1.67x	12.95%
2034	3.40%	9.12%	1.48x	11.88%
2035	3.40%	9.12%	1.30x	10.84%
2036	3.40%	9.12%	1.14x	9.93%
2037	3.40%	9.12%	1.01x	9.19%
2038	3.40%	9.12%	0.89x	8.52%
2039	3.40%	9.12%	0.89x	8.50%
2040	3.40%	9.12%	0.89x	8.50%
2041	3.40%	9.12%	0.89x	8.50%
2042	3.40%	9.12%	0.89x	8.50%
2043	3.40%	9.12%	0.89x	8.50%
2044	3.40%	9.12%	0.89x	8.50%
2045	3.40%	9.12%	0.89x	8.50%
2046	3.40%	9.12%	0.89x	8.50%
2047	3.40%	9.12%	0.89x	8.50%
2048	3.40%	9.12%	0.89x	8.50%
2049	3.40%	9.12%	0.89x	8.50%
2050	3.40%	9.12%	0.89x	8.50%
2051	3.40%	9.12%	0.89x	8.50%

Year	$R_f$	$R_m$	$\beta_L$ of REJV	$K_e$
2052	3.40%	9.12%	1.68x	13.00%
2053	3.40%	9.12%	1.43x	11.57%
2054	3.40%	9.12%	1.22x	10.41%
2055	3.40%	9.12%	1.07x	9.53%
2056	3.40%	9.12%	0.93x	8.75%
2057	3.40%	9.12%	0.89x	8.50%
2058	3.40%	9.12%	0.89x	8.50%
2059	3.40%	9.12%	0.89x	8.50%
2060	3.40%	9.12%	0.89x	8.50%
2061	3.40%	9.12%	0.89x	8.50%
2062	3.40%	9.12%	0.89x	8.50%
2063	3.40%	9.12%	0.89x	8.50%
2064	3.40%	9.12%	0.89x	8.50%
2065	3.40%	9.12%	0.89x	8.50%
2066	3.40%	9.12%	0.89x	8.50%
2067	3.40%	9.12%	0.89x	8.50%
2068	3.40%	9.12%	0.89x	8.50%
2069	3.40%	9.12%	0.89x	8.50%
2070	3.40%	9.12%	0.89x	8.50%
2071	3.40%	9.12%	0.89x	8.50%
2072	3.40%	9.12%	0.89x	8.50%
2073	3.40%	9.12%	0.89x	8.50%
2074	3.40%	9.12%	0.89x	8.50%
2075	3.40%	9.12%	0.89x	8.50%
2076	3.40%	9.12%	0.89x	8.50%
2077	3.40%	9.12%	0.89x	8.50%
2078	3.40%	9.12%	0.89x	8.50%
2079	3.40%	9.12%	0.89x	8.50%
2080	3.40%	9.12%	0.89x	8.50%
2081	3.40%	9.12%	0.89x	8.50%
2082	3.40%	9.12%	0.89x	8.50%
2083	3.40%	9.12%	0.89x	8.50%
2084	3.40%	9.12%	0.89x	8.50%
2017	3.40%	9.12%	2.55x	18.02%
2018	3.40%	9.12%	2.77x	19.23%
2019	3.40%	9.12%	2.82x	19.55%
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2025	3.40%	9.12%	4.08x	26.78%
2026	3.40%	9.12%	3.76x	24.93%
2027	3.40%	9.12%	3.35x	22.58%
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Year	$R_f$	$R_m$	$\beta_L$ of REJV	$K_e$
2029	3.40%	9.12%	2.62x	18.42%
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2033	3.40%	9.12%	1.67x	12.95%
2034	3.40%	9.12%	1.48x	11.88%
2035	3.40%	9.12%	1.30x	10.84%
2036	3.40%	9.12%	1.14x	9.93%
2037	3.40%	9.12%	1.01x	9.19%
2038	3.40%	9.12%	0.89x	8.52%
2039	3.40%	9.12%	0.89x	8.50%
2040	3.40%	9.12%	0.89x	8.50%
2041	3.40%	9.12%	0.89x	8.50%
2042	3.40%	9.12%	0.89x	8.50%
2043	3.40%	9.12%	0.89x	8.50%
2044	3.40%	9.12%	0.89x	8.50%
2045	3.40%	9.12%	0.89x	8.50%
2046	3.40%	9.12%	0.89x	8.50%
2047	3.40%	9.12%	0.89x	8.50%
2048	3.40%	9.12%	0.89x	8.50%
2049	3.40%	9.12%	0.89x	8.50%
2050	3.40%	9.12%	0.89x	8.50%
2051	3.40%	9.12%	0.89x	8.50%
2052	3.40%	9.12%	1.68x	13.00%
2053	3.40%	9.12%	1.43x	11.57%
2054	3.40%	9.12%	1.22x	10.41%
2055	3.40%	9.12%	1.07x	9.53%
2056	3.40%	9.12%	0.93x	8.75%
2057	3.40%	9.12%	0.89x	8.50%
2058	3.40%	9.12%	0.89x	8.50%
2059	3.40%	9.12%	0.89x	8.50%
2060	3.40%	9.12%	0.89x	8.50%
2061	3.40%	9.12%	0.89x	8.50%
2062	3.40%	9.12%	0.89x	8.50%
2063	3.40%	9.12%	0.89x	8.50%
2064	3.40%	9.12%	0.89x	8.50%
2065	3.40%	9.12%	0.89x	8.50%
2066	3.40%	9.12%	0.89x	8.50%
2067	3.40%	9.12%	0.89x	8.50%
2068	3.40%	9.12%	0.89x	8.50%
2069	3.40%	9.12%	0.89x	8.50%
2070	3.40%	9.12%	0.89x	8.50%
2071	3.40%	9.12%	0.89x	8.50%
2072	3.40%	9.12%	0.89x	8.50%
2073	3.40%	9.12%	0.89x	8.50%

Year	$R_f$	$R_m$	$\beta_L$ of REJV	$K_e$
2074	3.40%	9.12%	0.89x	8.50%
2075	3.40%	9.12%	0.89x	8.50%
2076	3.40%	9.12%	0.89x	8.50%
2077	3.40%	9.12%	0.89x	8.50%
2078	3.40%	9.12%	0.89x	8.50%
2079	3.40%	9.12%	0.89x	8.50%
2080	3.40%	9.12%	0.89x	8.50%
2081	3.40%	9.12%	0.89x	8.50%
2082	3.40%	9.12%	0.89x	8.50%
2083	3.40%	9.12%	0.89x	8.50%
2084	3.40%	9.12%	0.89x	8.50%



### 3. Investment in OJV

For the investment in OJV, company does not invest in project development. The main cash flow to company is from direct payment. Therefore, IFA considers applying Weighted Average Cost of Capital (WACC) as a discount rate for calculating cash flow from OJV. Details are as follows;

<b>WACC</b>	<b>=</b>	<b><math>(K_e \times (E/(D+E)) + (K_d \times (1-T) \times (D/(D+E)))</math></b>
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$K_e$	=	Shareholder's required rate of return, calculated by Capital Assets Pricing Model (CAPM)
$K_d$	=	Company's cost of capital is 3.54% (reference: Weighted Average Cost of Capital (WACC) of company as of 31 December 2016)
T	=	Corporate income tax is 20.00%
E	=	Shareholder's Equity as at 31 December 2016 is THB 5,354.09 million (reference: DTC's financial statement ending 31 December 2016)
D	=	DTC's interest bearing debt as of 31 December 2016 is THB 1,676.46 million (reference: DTC's financial statement ending 31 December 2016)

The formula on Cost of Shareholder's Rate of Return ( $K_e$ ) shown as follows

<b><math>K_e</math></b>	<b>=</b>	<b><math>R_f + \beta(R_m - R_f)</math></b>
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$K_e$	=	Cost of shareholder's expected rate of return
Risk Free Rate ( $R_f$ )	=	Risk Free Rate, reference from 25-year Government Bond yield = 3.40% p.a. (reference: <a href="http://www.thaibma.or.th">www.thaibma.or.th</a> as of 31 December 2016)
$R_m$	=	Market Return, 25-year average rate of return on investment in the Stock Exchange of Thailand (SET), reference from average daily rate of return on investment in SET over 25 years back from 31 December 2016 = 9.12 % p.a. which is better reflect the investment in SET. reference: <a href="http://www.set.or.th">www.set.or.th</a> )
Beta ( $\beta$ )	=	1-year average daily volatility among the rate of return of DTC compared to return on investment in SET during 1 January 2016 to 31 December 2016 which = 0.62 times (reference: Bloomberg)

From the above calculation, the DTC cost of shareholder's expected rate of return ( $K_e$ ) is 6.95% and Weighted Average Cost of Capital (WACC) of DTC is 5.97%.