

Opinion of the Independent Financial Advisor
Concerning the Asset Acquisitions and
Connected Transactions

(Supporting Document for Agenda 7 of
the 2024 Annual General Meeting of Shareholders)

of



Asset World Corp Public Company Limited

The Independent Financial Advisor



Capital Advantage Company Limited

March 18, 2024

- TRANSLATION -

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

No. 067/2024

March 18, 2024

Subject: Opinion of the Independent Financial Advisor Concerning the Asset Acquisition Transactions and Connected Transactions of Asset World Corp Public Company Limited

Attention: Shareholders
Asset World Corp Public Company Limited

Attachments: 1) Information of 38 Development Company Limited, which is the asset to be acquired
2) Information of The Plaza Chiangmai Company Limited, which is the asset to be acquired
3) Information of Permsub Siri 2 Company Limited, which is the asset to be acquired
4) Information of Kalare Chang Klan Chiangmai Company Limited, which is the asset to be acquired
5) Hotel Industry and Retail Property Outlook
Business overview and operating performance of Asset World Corp Public Company Limited is shown in Clause 2 of Information Memorandum Concerning to the Acquisition of Assets and Connected Transaction under Schedule 2 (Enclosure No. 4) and Annual Registration Statement/Annual Report 2023 (Form 56-1 One Report) (Enclosure No. 1) of the Company, which are enclosed with the Notification of this Annual General Meeting of Shareholders.

References: 1) **Resolutions of the Board of Directors' Meeting No. 1/2024 of** Asset World Corp Public Company Limited held on February 28, 2024;
2) Information Memorandum Concerning the Asset Acquisition Transactions and Connected Transactions of Asset World Corp Public Company Limited dated February 28, 2024;
3) Registration Statement and Prospectus for the Initial Public Offering of Asset World Corp Public Company Limited;
4) Annual Registration Statement (Form 56-1) of Asset World Corp Public Company Limited for the year ended December 31, 2019 – 2020 and Annual Registration Statement/Annual Report (Form 56-1 One Report) for the year ended December 31, 2021 – 2023;
5) Audited financial statements of Asset World Corp Public Company Limited for the 12-month period ended December 31, 2021 – 2023;
6) Property Appraisal Report of 38 Development Company Limited (60-year leasehold rights) by CBRE (Thailand) Company Limited No. **1241011001** dated February 16, 2024 for public purposes;
7) Lease Agreement for land and constructions of **38** Development Company Limited dated October **18**, 2016, October **19**, 2016, and amendments No. **1 – 3**;
8) Audited financial statements of 38 Development Company Limited for the 12-month period ended December 31, 2020 - 2022 and unaudited financial statements for the 12-month period ended December 31, 2023;
9) Property Appraisal Report of the Lannatique Destination Project by Knight Frank Chartered (Thailand) Company Limited No. VL/mk/R0005/2024 dated January 25, 2024 for public purposes;
10) Audited financial statements of The Plaza Chiangmai Company Limited for the 12-month period ended December 31, 2020 - 2022 and unaudited financial statements for the 12-month period ended December 31, 2023;

- 11) Audited financial statements of Permsub Siri 2 Company Limited for the 12-month period ended December 31, 2020 - 2022 and unaudited financial statements for the 12-month period ended December 31, 2023;
- 12) Audited financial statements of Kalare Chang Klan Chiangmai Company Limited for the 12-month period ended December 31, 2020 - 2022 and unaudited financial statements for the 12-month period ended December 31, 2023;
- 13) Draft Legal Due Diligence Report of 38 Development Company Limited, The Plaza Chiangmai Company Limited, Permsub Siri 2 Company Limited, and Kalare Chang Klan Chiangmai Company Limited, by Weerawong, Chinnavat & Partners Limited;
- 14) Property and Leasehold Rights Appraisal Report of the OP Garden Project by Knight Frank Chartered (Thailand) Company Limited No. VL/mk/R0006/2024 dated January 24, 2024 for public purposes;
- 15) Share Purchase Agreement of AWC Charoenkrung Asset Company Limited dated April 19, 2021 and Memorandum for Amendment to the Share Purchase Agreement No. 1 dated May 11, 2023;
- 16) Audited financial statements of Asiatic Hotel Collection Company Limited for the 12-month period ended December 31, 2020 - 2022 and unaudited financial statements for the 12-month period ended December 31, 2023;
- 17) Draft Share Purchase Agreement of 38 Development Company Limited, Draft Share Purchase Agreement of The Plaza Chiangmai Company Limited, Draft Share Purchase Agreement of Permsub Siri 2 Company Limited, Draft Share Purchase Agreement of Kalare Chang Klan Chiangmai Company Limited, and Draft Memorandum for the Amendment to the Share Purchase Agreement of AWC Charoenkrung Asset Company Limited No. 2; and
- 18) Company Affidavit, Memorandum of Association, and other information and documents, as well as interviews with the management and relevant staff of Asset World Corp Public Company Limited.

- Disclaimers: 1) Results of the study conducted by Capital Advantage Company Limited (the **"Independent Financial Advisor" or "IFA" or "CapAd"**) in this report are based on information and assumptions provided by management of Asset World Corp Public Company Limited, as well as information disclosed to the public on the websites of the Securities and Exchange Commission (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th).
- 2) The Independent Financial Advisor shall not be responsible for profits or losses and any impacts resulting from the transaction.
 - 3) The Independent Financial Advisor conducted the study with knowledge, skills, and cautiousness in accordance with the professional ethics.
 - 4) The Independent Financial Advisor considered and provided its opinions based on the situation and information at the present time. If such situation and information change significantly, the study results in this report may be affected.

The Board of Directors' Meeting No. 1/2024 of Asset World Corp Public Company Limited (the "Company" or "AWC"), held on February 28, 2024, resolved to propose to the 2024 Annual General Meeting of Shareholders, which will be held on April 26, 2024, to consider and approve agenda related to the asset acquisition and connected transaction concerning the exercise of rights to purchase or develop according to the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated June 7, 2019 and Memorandum for the Amendment to the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated August 13, 2019 ("Right Granting Agreement") to acquire assets in the forms of lands and constructions, as well as leasehold rights for future projects, as follows:

(Referring to agenda of the 2024 Annual General Meeting of Shareholders of the Company)

Agenda 7.1 To consider and approve the investment in 38 Development Company Limited ("38D") whereby the Company and/or its subsidiary (collectively referred to as the "Purchasers of

38D Ordinary Shares") will purchase 300,000 ordinary shares¹ of 38D with par value of Baht 10 per share, representing 100% of total issued and paid-up shares of 38D, at the value of approximately Baht 998.00 million, with additional payment of 5% p.a., compounded on the unpaid balance, bringing the total maximum amount to approximately Baht 1,224.10 million² from **(1)** TCC Capital Land Company Limited, **(2)** Yodkij Business Company Limited, and **(3)** Queen's Park Hotel Company Limited (collectively referred to as the "Sellers of 38D Ordinary Shares"), which are connected persons of the Company because they are in the group of companies of Mr. Charoen Sirivadhanabhakdi ("Grantor") in accordance with the terms of the Right Granting Agreement; that is, the Sellers of 38D Ordinary Shares are companies in which the Grantors hold, directly and indirectly, more than 50% of their total voting shares ("Group of Companies of the Grantor"). At the same time, the Grantor is the major shareholder holding, directly and indirectly, an aggregate of **75.00% of the Company's paid-up capital**.³

The objective is to acquire the leasehold rights of land for development of a luxury hotel under the concept of the First Wellness Hotel and Oasis of Thong Lo, offering 242 rooms on an area of 2-0-18 rai ("Sukhumvit 38 Hotel Project" or "Transaction 1").

The Company plans to use funds for development of such project in the amount of Baht 2,005.20 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 3,229.30 million (inclusive of VAT).

Agenda 7.2 To consider and approve the investment in all ordinary shares of The Plaza Chiangmai Company Limited ("PCC"), Permsub Siri 2 Company Limited ("PS2"), and Kalare Chang Klan Chiangmai Company Limited ("KCC"), at the value of approximately Baht 3,448.00 million, with additional payment of 5% p.a., compounded on the unpaid balance, bringing the total amount to approximately Baht 4,229.15 million, as well as an investment in development of a project in the name of the "Lannatique Destination Project," ("Transaction 2") consisting of 3 sub-projects (including interest on loans during project development), totaling approximately Baht **8,502.24 million (inclusive of VAT)**, making up a total investment payable by the Company and/or its subsidiaries of Baht **12,731.39 million (inclusive of VAT)**,⁴ as follows:

Investment in The Plaza Chiangmai Co., Ltd. (PCC)

The Company and/or its subsidiaries (collectively referred to as the "Purchasers of PCC Ordinary Shares") will purchase the entire 17,000,000 ordinary shares⁵ of PCC with par

¹ Before proceeding with the transaction, the Sellers of 38D Ordinary Shares will increase capital and use the proceeds to repay all shareholder loans, leaving 38D with no outstanding loan. The number of ordinary shares to be issued as part of the capital increase will be contingent upon the debt burden at that time, with no impact on the acquisition price of ordinary shares. As of December 31, 2023, the principal amount of such loan was Baht 682.54 million and interest payable was Baht 1.18 million.

² In order to flexibly manage timing of the investment, in which the Company shall consider its liquidity and cash flow from the business in line with AWC Growth Fund's investment structure, the Company therefore divides the investment and payment into 2 tranches:

Tranche 1: The Purchasers of 38D Ordinary Shares shall invest in 18% of total shares in 38D amounting to approximately Baht 179.64 million, payable by April 26, 2024 (the date when the Company will obtain an approval from the shareholders' meeting to enter the transaction). Initially, the Company and/or its subsidiaries will purchase 18% of shares in 38D, and after acquisition of the remaining 82% of shares, the Company and/or its subsidiaries will hold 100% of total shares in 38D, respectively; and

Tranche 2: The Purchasers of 38D Ordinary Shares are entitled to purchase the remaining 82% of total shares in 38D, whether through a single purchase or multiple acquisitions ("Remaining Shares"), amounting to approximately Baht 818.36 million, with additional payment of 5% p.a., compounded on the unpaid balance, according to the condition for share sale and purchase in Year 5 of approximately Baht 226.10 million (the actual amount of the additional payments depends on the period of decision-making on investment in the Remaining Shares, which can be made through either a single purchase or multiple acquisitions), making up a total value of payment of Baht 1,044.46 million, subject, however, to a condition that the Purchasers of 38D Ordinary Shares shall pay compensation of 5% p.a., compounded annually on the unpaid balance. The Company and/or its subsidiaries shall have the rights to purchase the shares within 5 years from the date the shareholders' meeting approves the transaction. In the case where the Company does not exercise such rights, it shall pay a compensation of 5% p.a., compounded annually on the unpaid balance, and the said agreement shall then be deemed terminated.

³ Based on information on closing of share register (XM) of the Company as of June 29, 2023 from Thailand Securities Depository Company Limited. The shares were held through TCC Business Management Company Limited, TCC Group International Limited, and TCC Retail Company Limited.

⁴ To ensure the clarity in expressing our opinion herein, the IFA divides Transaction 2 into 3 sub-transactions, which have the same principle of investment as that of Transaction 1, as described in Footnote 2 on page 3.

⁵ Before proceeding with the transaction, the Sellers of PCC Ordinary Shares will increase capital and use the proceeds to repay all shareholder loans, leaving PCC with no outstanding loan. The number of ordinary shares to be issued as part of the capital

value of Baht 10 per share, representing 100% of total issued and paid-up shares of PCC, at the value of approximately Baht 650.33 million, with additional payment of 5% p.a., compounded on the unpaid balance, bringing the total amount to approximately Baht 797.66 million⁶ from (1) TCC Capital Land Company Limited and (2) Queen's Park Hotel Company Limited (collectively referred to as the "Sellers of PCC Ordinary Shares"), which are in the Group of Companies of the Grantor, hence, are deemed as the connected persons of the Company.

The objective is to acquire land with constructions for development of an 85-room upper upscale hotel with a Japanese setting and atmosphere on an area of 2-3-10 rai, which is part of the development of the Lannatique Destination Project ("Lannatique The Plaza Project")

The Company plans to use funds for development of the Lannatique The Plaza Project (including the development of a project on an adjacent area to dusitD2 Chiang Mai, which is located next to each other), in the amount of Baht 2,147.55 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 2,945.21 million (inclusive of VAT).

Investment in Permsub Siri 2 Company Limited (PS2)

The Company and/or its subsidiaries (collectively referred to as the "Purchasers of PS2 Ordinary Shares") will purchase the entire 5,000,000 ordinary⁷ shares of PS2 with par value of Baht 10 per share, representing 100% of total issued and paid-up shares of PS2, at the value of approximately Baht 346.45 million, with additional payment of 5% p.a., compounded on the unpaid balance, bringing the total amount to approximately Baht 424.94 million⁸ from (1) TCC Capital Land Company Limited and (2) Queen's Park Hotel Company Limited (collectively referred to as the "Sellers of PS2 Ordinary Shares"), which are in the Group of Companies of the Grantor, hence, are deemed as the connected persons of the Company.

The objective is to acquire the leasehold rights of land and constructions (the 30-year lease expires on June 30, 2044, which leaves approximately 20 years and 4 months of the lease remaining as of February 28, 2024) for the development of 297-room upper upscale hotel on an area of 6-1-22 rai, which is part of the development of the Lannatique Destination Project and will be an extension of the adjacent Chiang Mai Marriott Hotel, as well as a shopping area and car park building ("Lannatique Bazaar Project").

The Company plans to use funds for development of the project in the amount of Baht 2,865.95 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 3,290.90 million (inclusive of VAT).

Furthermore, PS2 has rental obligations to be paid throughout the lease term in the total amount of approximately Baht 67.56 million. Thus, the total investment payable by the Company and/or its subsidiaries is approximately Baht **3,358.45** million.

increase will be contingent upon the debt burden at that time, with no impact on the acquisition price of ordinary shares. As of December 31, 2023, the principal amount of such loan was Baht 204.70 million and interest payable was Baht 0.39 million.

⁶ The principle and details of investment are the same as those described in Footnote 2 on page 3 of this report. The Company has divided the investment and payment into 2 tranches as follows:

Tranche 1 18% of total shares in PCC at the value of approximately Baht 117.06 million, which will be invested in by the Company;

Tranche 2 The remaining 82% of total shares in PCC, whether through a single purchase or multiple acquisitions, at the value of approximately Baht 533.27 million, with additional payment of 5% p.a. on the unpaid balance, of approximately Baht **147.33** million (the actual amount of the additional payments depends on the period of decision-making on investment in the Remaining Shares, which can be made through either a single purchase or multiple acquisitions).

⁷ Before proceeding with the transaction, the Sellers of PS2 Ordinary Shares will increase capital and use the proceeds to repay all shareholder loans, leaving PS2 with no outstanding loan. The number of ordinary shares to be issued as part of the capital increase will be contingent upon the debt burden at that time, with no impact on the acquisition price of ordinary shares. As of December 31, 2023, the principal amount of such loan was Baht 183.13 million and interest payable was Baht 0.35 million.

⁸ The principle and details of investment are the same as those described in Footnote 2 on page 3 of this report. The Company has divided the investment and payment into 2 tranches as follows:

Tranche 1 18% of total shares in PS2 at the value of approximately Baht **62.36** million;

Tranche 2 The remaining 82% of total shares in PS2, whether through a single purchase or multiple acquisitions, at the value of approximately Baht **284.09** million, with additional compounded payments of 5% p.a. of approximately Baht **78.49** million (the actual amount of the additional payments depends on the period of decision-making on investment in the Remaining Shares, which can be made through either a single purchase or multiple acquisitions).

Investment in Kalare Chang Klan Chiangmai Company Limited (KCC)

The Company and/or its subsidiaries (collectively referred to as the "Purchasers of KCC Ordinary Shares") will purchase the entire 50,000,000 ordinary shares⁹ of KCC with par value of Baht 10 per share, representing 100% of total issued and paid-up shares of KCC, at the value of approximately Baht 2,451.22 million, with additional payment of 5% p.a., compounded on the unpaid balance, bringing the total amount to approximately Baht 3,006.55 million¹⁰ from (1) TCC Capital Land Company Limited and (2) Queen's Park Hotel Company Limited (collectively referred to as the "Sellers of KCC Ordinary Shares"), which are in the Group of Companies of the Grantor, hence, are deemed as the connected persons of the Company.

The objective is to acquire land and constructions for the development of a 168-room luxury hotel with shopping mall area, a lifestyle market, an art entertainment center, and an indoor theme park and waterpark on an area of 12-1-68.2 rai, which is a part of the development of the Lannatique Destination Project ("Lannatique Kalare Project").

The Company plans to use funds for development of the project in the amount of Baht 3,488.74 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiary of Baht 6,495.29 million (inclusive of VAT).

Agenda 7.3 Background:

The Annual General Meeting of Shareholders of the Company on April 20, 2020 approved the investment in AWC Charoenkrung Asset Company Limited ("ACA") (formerly named as "Asiatic Hotel Collection Company Limited") in order to develop the Asiatique The Riverfront Extension Project, under the condition that the Seller of ACA Ordinary Shares¹¹ have to transfer the OP Garden Project (ACA's asset) out of ACA.

Consequently, the Company received the approval from the 2022 Annual General Meeting of Shareholders on April 22, 2022 to invest in Imm Hotel Charoenkrung Company Limited (Swan Project) in order to develop into Nobu Hotel Bangkok. This emphasizes the importance of developing the OP Garden Project, which locates in the same area, as a continuous project for maximum benefit of the Company.

On May 11, 2023, the Company and its subsidiary acquired all 1,850,000 ordinary shares of ACA, representing 100% of total shares of ACA, from the Sellers of ACA Ordinary Shares. However, the Sellers of ACA Ordinary Shares did not transfer the OP Garden Project out of ACA as the Company has studied the investment and wishes to acquire the OP Garden Project. The acquisition price of ACA that the Company paid to the Sellers of ACA Ordinary Shares on May 11, 2023 did not include value of assets relating to the OP Garden Project. Therefore, the Company has to make additional payment for assets relating to the OP Garden Project in order to complete the transaction (under this transaction, the Company shall not acquire any additional shares of ACA but shall have the full ownership in the OP Garden Project under ACA).

Details of the investment in the OP Garden Project:

To consider and approve the Company and/or its subsidiaries' additional payment of Baht 440.00 million for shares of AWC Charoenkrung Asset Company Limited (ACA, a subsidiary of the Company formerly named as Asiatic Hotel Collection Company Limited), to the Sellers of ACA Ordinary Shares, which is in the Group of Companies of the Grantor, hence, is deemed as the connected person of the Company.

⁹ Before proceeding with the transaction, the Seller of KCC Ordinary Shares will increase capital and use the proceeds to repay all shareholder loans, leaving KCC with no outstanding loan. The number of ordinary shares to be issued as part of the capital increase will be contingent upon the debt burden at that time, with no impact on the acquisition price of ordinary shares. As of December 31, 2023, the principal amount of such loan was Baht 382.30 million and interest payable was Baht 0.74 million.

¹⁰ The principle and details of investment are the same as those described in Footnote 2 on page 3 of this report. The Company has divided the investment and payment into 2 tranches as follows:

Tranche 1 18% of total shares in KCC at the value of approximately Baht 441.22 million;

Tranche 2 The remaining 82% of total shares in KCC, whether through a single purchase or multiple acquisitions, at the value of approximately Baht 2,010.00 million, with additional payment of 5% p.a., compounded on the unpaid balance, of approximately Baht 555.33 million (the actual amount of the additional payment depends on the period of decision-making on investment in the Remaining Shares, which can be made through either a single purchase or multiple acquisitions).

¹¹ Consisting of (1) Capital Land Company Limited, (2) Muang Kao Company Limited, and (3) Phanthamaitree Company Limited

The objective is to acquire the rights to invest in the OP Garden Project to develop it into a 60-room luxury hotel, which will be connected to the Nobu Hotel Bangkok (a joint development project between the OP Place Project and the Swan Hotel Project, which have land adjacent to each other) and the Plaza Athenee Nobu Hotel and Spa Bangkok, which are located in a contiguous area in the Charoen Krung 36 - 40 area ("OP Garden Project" or "Transaction 3").

The Company plans to use funds for development of the project (including interest on loans during project development) in the amount of Baht **623.40** million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht **1,063.40** million (inclusive of VAT).

Agenda 7.1 – Agenda 7.3 are not conditional upon each other. In the event that any of the **agenda is not approved by the shareholders' meeting, consideration on other agenda will not be affected.**

Transaction 1 and Transaction 2 are classified as the purchase or the acquisition of another business according to Section **107 (2) (b)** of the Public Limited Companies Act (and the amendments). In addition, the entering into aforementioned 3 transactions are considered as the acquisition of assets pursuant to the Notification of Capital Market Supervisory Board No. TorChor. **20/2551** Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. **2547 (2004)**, including **the amendment thereto ("Notifications on Acquisition or Disposition of Assets")**. The highest transaction size is equal to **9.87%** according to the total value of consideration criteria based on the audited consolidated financial statements of the Company for the year ended December **31, 2023**. When combined with the acquisition of assets of the Company during **6-month** period prior to the date on which **the Board of Directors' Meeting** resolved to propose to the shareholders' meeting to approve the transactions, the highest transaction size is equal to **10.62%** which is lower than **15%**. Therefore, the Company is not required to disclose information according to the Notifications on Acquisition or Disposition of Assets. However, since the entering into such transactions lead to the acquisition of subsidiaries of the Company, thus, it is required to disclose information regarding the investment in subsidiaries to the **Stock Exchange of Thailand ("SET")** and the Board of Directors shall propose the **shareholders' meeting to consider and approve the entering into asset acquisition transactions and connected transactions at the same time.**

The entering into the 3 transactions is deemed as connected transactions under the Notification of Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions 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 Connected Transactions B.E. 2546 (2003) ("**Notifications on Connected Transactions**") as they are the entering into the transactions with the Group of Companies of the Grantor who are major shareholders of the Company, whereas the Grantor has indirect shareholding of **75.00%** of total issued and paid-up shares of the Company.¹² Size of connected transactions is **19.83%** of net tangible asset of the Company and its subsidiaries as of December 31, 2023. The Company has not engaged in any transaction related to the Grantor or Group of Companies of the Grantor that occurred within the past **6 months** prior to the date on which the Company's Board of Directors resolved to propose the shareholders' meeting to consider and approve the transactions.

Therefore, the Company is required to disclose information on the entering into the asset acquisition and connected transactions to the SET and appoint an independent financial advisor to render an opinion to the **shareholders of the Company. It also has to seek for approval from shareholders' meeting with affirmative votes of at least three-fourths of total votes of the shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interest.**

The Company has appointed Capital Advantage Company Limited as the independent financial advisor ("**Independent Financial Advisor**" or "**IFA**" or "**CapAd**") to render an opinion to shareholders concerning the reasonableness and appropriateness of price and conditions of the asset acquisition and connected transactions.

¹² Please refer to Footnote 3 on page 3.

CapAd has studied details of the Information Memorandum Concerning Asset Acquisition Transactions and Connected Transactions of the Company, Securities Offerings Statement, Prospectus on the initial public offering, Annual Registration Statement/Annual Report (Form 56-1 One Report), and information from interviews with management and executives of the Company as well as documents received from the Company such as financial statements, business plan, financial projection, feasibility study of the projects, property appraisal reports, legal due diligence report, agreements and relevant documents, Draft Share Purchase Agreement of 38 Development Company Limited, Draft Share Purchase Agreement of The Plaza Chiangmai Company Limited, Draft Share Purchase Agreement of Permsub Siri 2 Company Limited, and Draft Share Purchase Agreement of Kalare Chang Klan Chiangmai Company Limited, Share Purchase Agreement of AWC Charoenkrung Asset Company Limited (ACA), Memorandum for the Amendment of ACA Share Purchase Agreement No. 1, and Draft Memorandum for the Amendment of ACA Share Purchase Agreement No. 2, including information disclosed to the public, information disclosed on websites of the SET and the Office of the Securities and Exchange Commission ("SEC"), and financial information available on various websites as a basis for rendering our opinion on such transactions.

The opinion of CapAd in this report is based on the assumption that all information and **documents received from the Company's management are accurate and complete.** CapAd is unable to assure or guarantee any accuracy or completeness of such information. In deriving its opinion, CapAd takes into account current operating environment and most up-to-date information at the time of issuance of this report. Any change or future incident may have a material impact on business operation and financial projection of the projects and assessment and analysis of Independent Financial Advisor, as well as decision of shareholders on the above asset acquisition transactions and the connected transactions.

In providing the opinion to shareholders, CapAd studied and analyzed information stated above by considering the reasonableness of the asset acquisition and connected transactions and all relevant factors. CapAd has considered such information thoroughly and reasonably according to the professional standards for the best interests of shareholders.

The attachments to this report of opinion of Independent Financial Advisor are deemed as part of this opinion report and are information that shareholders should consider in conjunction with this report.

After considering and studying all information on the asset acquisitions and connected transactions, CapAd would like to summarize the study results as follows:

Abbreviation

"Company" or "AWC"	Asset World Corp Public Company Limited
"Right Granting Agreement"	The Right Granting Agreement (for the right to purchase or develop) between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated June 7, 2019 and Memorandum for the Amendment to the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated August 13, 2019
"Grantor"	Mr. Charoen Sirivadhanabhakdi
"Group of Companies of the Grantor" or "TCC Group"	The companies in which the Grantor hold, directly and indirectly, more than 50% of total voting right,
<u>Transaction 1:</u>	
"38D"	38 Development Company Limited, the asset to be acquired in Transaction 1
"Sellers of 38D Ordinary Shares"	Consist of (1) TCC Capital Land Company Limited, (2) Yodkij Business Company Limited, and (3) Queen's Park Hotel Company Limited, which are connected persons of the Company
"Purchasers of 38D Ordinary Shares"	Consist of the Company and/or its subsidiaries
"Transaction 1" or "Sukhumvit 38 Hotel Project"	The acquisition of all ordinary shares in 38 Development Company Limited to acquire the leasehold rights for development of the Sukhumvit 38 Hotel Project, with the investment and payment divided into 2 tranches: <u>Tranche 1</u> The Purchasers of 38D Ordinary Shares purchase 18% of total shares of 38D; and <u>Tranche 2</u> The Purchasers of 38D Ordinary Shares have the rights to invest in the remaining 82% of total shares of 38D, whether through a single purchase or multiple acquisitions
<u>Transaction 2:</u>	
"Transaction 2"	Consist of (1) Lannatique The Plaza Project, (2) Lannatique Bazaar Project, and (3) Lannatique Kalare Project
"Lannatique The Plaza Project"	The acquisition of all ordinary shares in The Plaza Chiangmai Company Limited to acquire land for development of the Lannatique The Plaza Project, which is under the "Lannatique Destination Project"
"PCC"	The Plaza Chiangmai Company Limited, the asset to be acquired in Transaction 2
"Sellers of PCC Ordinary Shares"	Consist of (1) TCC Capital Land Company Limited and (2) Queen's Park Hotel Company Limited, which are connected persons of the Company
"Purchasers of PCC Ordinary Shares"	Consist of the Company and/or its subsidiaries
"Lannatique Bazaar Project"	The acquisition of all ordinary shares in Permsub Siri 2 Company Limited to acquire leasehold rights of land and constructions for development of the Lannatique Bazaar Project, which is under the "Lannatique Destination Project"
"PS2"	Permsub Siri 2 Company Limited, the asset to be acquired in Transaction 2
"Sellers of PS2 Ordinary Shares"	Consist of (1) TCC Capital Land Company Limited and (2) Queen's Park Hotel Company Limited, which are connected persons of the Company
"Purchasers of PS2 Ordinary Shares"	Consist of the Company and/or its subsidiaries
"Lannatique Kalare Project"	The acquisition of all ordinary shares in Kalare Chang Klan Chiangmai Company Limited to acquire land and constructions for development of the Lannatique Kalare Project, which is under the "Lannatique Destination Project"
"KCC"	Kalare Chang Klan Chiangmai Company Limited, the asset to be acquired in Transaction 2
"Sellers of KCC Ordinary Shares"	Consist of (1) TCC Capital Land Company Limited and (2) Queen's Park Hotel Company Limited, which are connected persons of the Company
"Purchasers of KCC Ordinary Shares"	Consist of the Company and/or its subsidiaries
<u>Transaction 3:</u>	
"Transaction 3" or "OP Garden Project"	Additional payment for the shares of AWC Charoenkrung Asset Company Limited to acquire the investment right to the OP Garden Project
"ACA"	AWC Charoenkrung Asset Company Limited (formerly named as Asiatic Hotel Collection Company Limited), a subsidiary of the Company
"Existing Shareholders of ACA" or "Sellers of ACA Ordinary Shares"	Consist of (1) TTC Capital Land Company Limited, (2) Muang Kao Company Limited, and (3) Phanthamaitree Company Limited, which are connected persons of the Company
"Purchasers of ACA Ordinary Shares"	Consist of the Company and/or its subsidiaries
"ACA Share Purchase Agreement"	Share Purchase Agreement of AWC Charoenkrung Asset Company Limited dated April 19, 2021, and Memorandum for the Amendment to the ACA Share Purchase Agreement

"Remaining Shares"	No. 1, dated May 11, 2023, and any subsequent agreements that the parties may agree upon The remaining 82% of total shares in the target companies (38D, PCC, PS2, and KCC), for which the purchasers of ordinary shares in the target companies (38D, PCC, PS2, and KCC) have not yet made payment, whereby the purchasers of ordinary shares in the target companies (38D, PCC, PS2, and KCC) may gradually purchase the shares whether through a single purchase or multiple acquisitions
<u>Others</u>	
"CapAd" or "Independent Financial Advisor" or "CapAd"	Capital Advantage Company Limited
"SEC"	The Securities and Exchange Commission
"SET"	The Stock Exchange of Thailand
"Notifications on Acquisition or Disposition of Assets"	The Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 and the amendments
"Notifications on Connected Transaction"	The Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions 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 Connected Transaction B.E. 2546 and the amendments
"CBRE"	CBRE (Thailand) Company Limited, an independent property appraiser
"DSCR"	Debt Service Coverage Ratio
"EBITDA"	Earnings Before Interest, Taxes, and Depreciation and Amortization
"FAR"	Floor Area Ratio
"ICR"	Interest Coverage Ratio
"IPO"	Initial Public Offering
"IRR"	Internal Rate of Return
"Knight Frank" or "Independent Property Appraiser"	Knight Frank Chartered (Thailand) Company Limited, an independent property appraiser
"NPV"	Net Present Value
"NTA"	Net Tangible Assets
"OSR"	Open Space Ratio
"VAT"	Value Added Tax
"WACC"	Weighted Average Cost of Capital

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Executive Summary

The Board of Directors' Meeting No. 1/2024 of Asset World Corp Public Company Limited (the "Company" or "AWC"), held on February 28, 2024, resolved to propose the 2024 Annual General Meeting of Shareholders, which will be held on April 26, 2024, to consider and approve the Company and/or its subsidiaries to exercise the rights to purchase or develop according to the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated June 7, 2019 and Memorandum for the Amendment to the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated August 13, 2019 ("Right Granting Agreement") in order to acquire assets in the forms of lands and constructions, as well as leasehold rights for future projects, which are considered as the asset acquisition and connected transactions, under AWC Growth Fund's investment structure as follows:

Figure 1: Investment Structure of the Company under AWC Growth Fund¹³



The Company has adopted this investment pattern since 2023, which enables AWC to increase not only the efficiency in fund management but also the capability to develop a variety of projects through AWC Growth Fund with a view to laying the foundation for investment to further drive growth on a continuous and sustainable basis, where:

- The Company will purchase 18% of the ordinary shares in the target companies in the first tranche.
- The Company will develop properties under the development phase under AWC Growth Fund by signing the asset management agreements with the target companies.
- The Company will acquire the remaining shares (82%) of target company (which may be in the single purchase or multiple acquisitions). The Company will be able to set the investment timing in target company as deem appropriate, providing flexibility in investment in the remaining shares, by taking into consideration its liquidity, effective D/E ratio management during project development, for the maximum benefit of the Company.

Projects under the investment scheme of AWC Growth Fund include Hotel Plaza Athenee New York and the investment in the Sukhumvit 38 Hotel Project and the Lannatique Destination Project.

Initially, 38D, PCC, PS2, and KCC will use loans from financial institutions to finance the project development (the Company is currently under the consideration of loan conditions and selection of financial institutions) which may require fixed assets of 38D, PCC, PS2, and KCC as collateral. The Company believes that 38D, PCC, PS2, and KCC will obtain an adequate amount of credit lines for development of the projects.

Transaction 1: Acquisition of Ordinary Shares in 38 Development Co., Ltd. in order to Acquire Leasehold Rights for the Development of the Sukhumvit 38 Hotel Project

The Company and/or its subsidiary will develop the Sukhumvit 38 Hotel Project by purchasing 300,000 ordinary shares of 38D¹⁴ with par value of Baht 10 per share in the amount of approximately Baht 998.00 million, with additional payment of 5% p.a., compounded on the unpaid balance, of approximately Baht 226.10 million, bringing the total maximum amount to approximately Baht 1,224.10 million. The Company and/or its subsidiaries (collectively referred to as the "Purchasers of 38D Ordinary

¹³ The Company uses the word "Fund" just to identify the investment format of the Company without setting up any funds.

¹⁴ Before proceeding with the transaction, the seller of ordinary shares of 38D will increase capital and use the proceeds to repay all shareholder loans, leaving 38D with no outstanding loan. The number of ordinary shares to be issued as part of the capital increase will be contingent upon the debt burden at that time, with no impact on the acquisition price of ordinary shares. As of December 31, 2023, the principal amount of such loan was Baht 682.54 million and interest payable was Baht 1.18 million.

Shares") will jointly purchase all 38 ordinary shares from (1) TCC Capital Land Company Limited, (2) Yodkij Business Company Limited, and (3) Queen's Park Hotel Company Limited (collectively referred to as the "Sellers of 38D Ordinary Shares"), which are in the Group of Companies of the Grantor. The 2 parties agree to comply with the provisions and requirements set out in the 38D Share Purchase Agreement between the Sellers of 38D Ordinary Shares and the Purchasers of 38D Ordinary Shares. Furthermore, the Company and/or its subsidiaries will make the share payment and the additional payment wholly in cash.

Before proceeding with the transaction, the Sellers of 38D Ordinary Shares will increase capital and use the proceeds to repay all shareholder loans, leaving 38D with no outstanding loan. The number of ordinary shares to be issued as part of the capital increase will be contingent upon the debt burden at that time, with no impact on the acquisition price of ordinary shares. The amount of such loan (principal and interest payable) at the end of 2023 was approximately Baht 683.72 million.

The Company plans to use funds for development of the Sukhumvit 38 Hotel Project (including interest on loan during project development) in the amount of Baht 2,005.20 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 3,229.30 million (inclusive of VAT). Details of the investment are as follows:

Details of the Investment in 38D (For the development of 242-room luxury hotel)	Amount (Baht million)
1. Acquisition price of 38D ordinary shares ^{1/}	998.00
<i>Tranche 1 18% of total 38D ordinary shares</i>	<i>179.64</i>
<i>Tranche 2 the remaining 82% of total 38D ordinary shares</i>	<i>818.36</i>
2. Additional payment of 5% p.a., compounded on the unpaid balance (maximum of 5 years) ^{2/}	226.10
Amount paid to the Sellers	1,224.10
3. Investment for the development of the Sukhumvit 38 Hotel Project ^{3/}	2,005.20
Total investment	3,229.30

Remark:

1/ To provide flexibility in investment management, by which the Company will take into consideration the liquidity and cash flow from the project according to investment structure under the AWC Growth Fund, the Company divides the investment and payment into 2 tranches as follows:

Tranche 1 The Purchasers of 38D Ordinary Shares shall invest in 18% of total shares in 38D amounting to approximately Baht 179.64 million, payable by April 26, 2024 (the date on which the shareholders' meeting of the Company approves the entering into the transaction). Initially, the Company will purchase 18% of shares in 38D, and after acquisition of the remaining 82% of shares, the Company and/or its subsidiaries will hold 100% of total shares in 38D; and

Tranche 2 The Purchasers of 38D Ordinary Shares are entitled to purchase the remaining 82% of total shares in 38D, whether through a single purchase or multiple acquisitions ("Remaining Shares"), amounting to approximately Baht 818.36 million, with additional payment of 5% p.a., compounded on the unpaid balance according to the condition for share sale and purchase in Year 5 of approximately Baht 226.0 million (the actual amount of the additional payment depends on the period of decision-making on investment in the Remaining Shares, which can be made through either a single purchase or multiple acquisitions), making up a total value of payment of Baht 1,044.46 million.

In the case where the Company fails to complete a transfer of the Remaining Shares within 5 years from the date the shareholders' meeting approves the transaction, the Purchasers of 38D Ordinary Shares shall pay a compensation of 5% p.a., compounded annually on the unpaid balance, and the said agreement shall then be deemed terminated.

2/ The Purchasers of 38D Ordinary Shares shall pay additional payment of 5% p.a., compounded on the unpaid balance within 5 years from the date on which the shareholders' meeting of the Company approves the entering into the transaction (whether through a single purchase or multiple acquisitions) at the amount not exceeding 82% of acquisition price of 38D ordinary shares since the Company shall acquire 18% of 38D ordinary shares by April 26, 2024 (the date on which the shareholders' meeting of the Company approves the entering into the transaction).

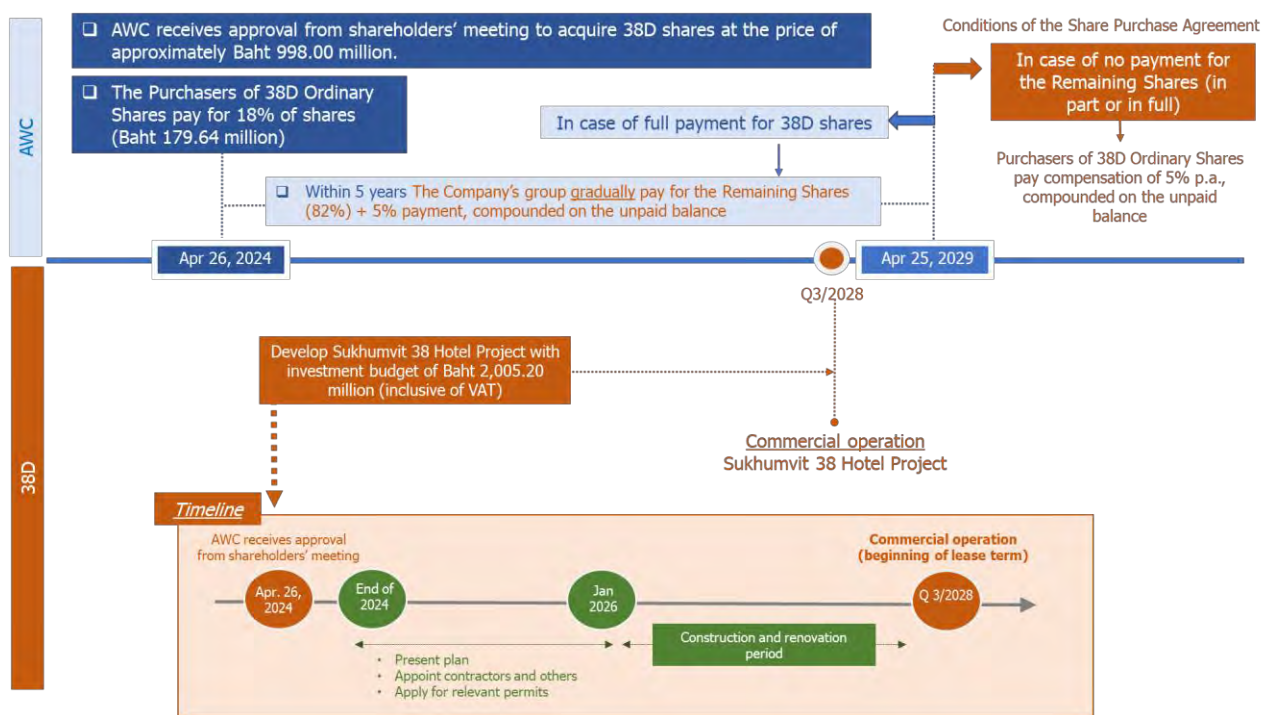
In the case where the Company fails to complete a transfer of the Remaining Shares within 5 years from the date the shareholders' meeting approves the transaction, the Purchasers of 38D Ordinary Shares shall pay a compensation of 5% p.a., compounded annually on the unpaid balance, and the said agreement shall then be deemed terminated.

3/ The project will be developed according to the plan desired by the Company and the selection of contractors and supervision of all construction works will be undertaken by the Company.

The Company expects to acquire the Remaining Shares (82%) of 38D in around 2028, which is in accordance with its 5-year investment strategy.

Project format: 38D is the holder of leasehold rights of land on Sukhumvit Road (at the entrance of Soi Sukhumvit 38) and Soi Sukhumvit 38, next to Thong Lo BTS Station, Bangkok, with an area of 2-0-18 rai. The Company will develop on this land lot a 242-room luxury hotel, which is expected to be the first wellness hotel and oasis in Thong Lo area and will be under the management of a luxury hotel brand. Project development will commence by the end of 2024 and commercial operation is scheduled for Q3/2028. The Land Lease Agreement will be valid for 60 years after the completion date of the construction and expires in around Q2 – Q3/2089. 38D has already paid for all leasehold rights in full.

Figure 2: Timeline of Transaction 1



Transaction 2: Acquisition of Ordinary Shares of 3 Companies in order to Acquire Land and Leasehold Rights of the Property for the Development of the Lannatique Destination Project

The project consists of (a) the Lannatique The Plaza Project, (b) the Lannatique Bazaar Project, and (c) the Lannatique Kalare Project.

Project format: The Lannatique Destination Project is composed of 3 sub-projects, which will be developed on the freehold and leasehold properties being acquired at this time, comprising of land and hotel buildings, retail stores, and commercial space on a total land area of 21-2-0.2 rai located in Chang Klan area (Chiang Mai Night Bazaar and Kalare Night Bazaar area), which is one of the nightlife attractions with a longstanding reputation in the city of Chiang Mai. Phase 1 of the project is scheduled for commercial operation in Q2/2025, and all phases are expected to be completed in Q4/2030.

The Lannatique Destination Project will be a large mixed-use project in the heart of Chiang Mai that will connect properties of AWC's business group, including InterContinental Chiang Mai The Mae Ping, dusitD2 Chiang Mai, Melia Chiang Mai, Chiang Mai Marriott Hotel, and 2 other land and constructions (with a total area of 5-3-39.5 rai located on Chang Khlan Road and Thapae Road, at the corner of Thapae Soi 1), which are located in a contiguous area (from Thapae Road, to Chang Khlan Road, Charoen Prathet Road, Loi Kroh Road, and Sridonchai Road) to meet the diverse lifestyle of tourists. This is in line with the Company's investment strategy to help push Chiang Mai to become a regional luxury tourism hub and to enhance tourism in Thailand. It will also help to strengthen the Company's cash flow and/or its ability to expand the business with other projects and create long-term value for the Company.

Overview of Transaction 2

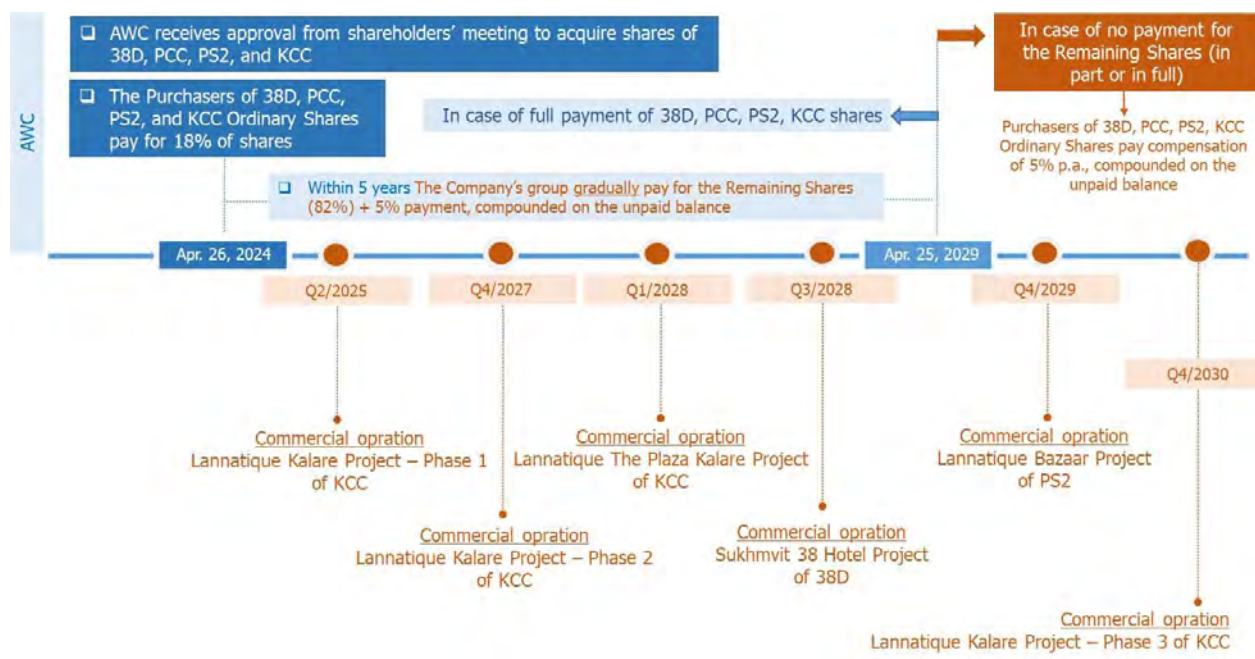
The Company and/or its subsidiary will invest in all ordinary shares of The Plaza Chiangmai Company Limited (PCC), Permsub Siri 2 Company Limited (PS2), and Kalare Chang Klan Chiangmai Company Limited (KCC), with additional payment of 5% p.a., compounded on the unpaid balance, bringing the maximum amount to approximately Baht 4,229.15 million, and project development budget of approximately Baht 8,502.24 million, making up a total investment payable by the Company and/or its subsidiaries of Baht 12,731.39 million.

Details of Investment in Transaction 2: Lannatique Destination project	Investment Value (Baht Million)			
	Lannatique The Plaza Project	Lannatique Bazaar Project	Lannatique Kalare Project	Total
Operated by	PCC	PS2	KCC	
Project Format	85-room Upper Upscale Hotel	297-room Upper Upscale Hotel and Shopping Center	168-room Luxury Hotel, Shopping Center, Lifestyle Market, Entertaining Art Center, Amusement Park	
1. Acquisition of ordinary shares	650.33	346.45	2,451.22	3,448.00
<i>Tranche 1 18%</i>	117.06	62.36	441.22	620.64
<i>Tranche 2 the remaining 82%</i>	533.27	284.09	2,010.00	2,827.36
2. Additional payment, compounded on the unpaid balance (maximum of 5 years) ^{1/}	147.33	78.49	555.33	781.15
Total value paid to the sellers	797.66	424.94	3,006.55	4,229.15
3. Investment in development of the project ^{2/}	2,147.55 ^{3/}	2,865.95	3,488.74	8,502.24
Total investment value	2,945.21	3,290.89	6,495.29	12,731.39
Scheduled commercial operation date	Q1/2028	Q4/2029	Phase 1: Q2/2025 Phase 2: Q4/2027 Phase 3: Q4/2030	

Remark:

- 1/ The Purchasers of KCC Ordinary Shares, the Purchasers of PS2 Ordinary Shares, the Purchasers of PCC Ordinary Shares will make additional payments of 5% p.a., compounded on the unpaid balance of the sale and purchase value of KCC, PS2, and PCC shares, within 5 years from the date on which the shareholders' meeting of the Company approves the entering into the transaction (whether through a single purchase or multiple acquisitions), which will not exceed 82% of KCC, PS2, and PCC share prices since the Company will purchase 18% of the total shares of KCC, PS2, and PCC by April 26, 2024 (the date on which the shareholders' meeting for the Company approves the entering into the transaction).
If the Company and/or its subsidiaries fail to complete the share acquisition within 5 years from the date of on which the shareholders' meeting of the Company approves the entering into the transaction, the Company shall pay a compensation of 5% p.a., compounded on the unpaid balance, and the Share Purchase Agreement shall then be deemed terminated.
- 2/ The project will be developed according to the plan desired by the Company and the selection of contractors and supervision of all construction works will be undertaken by the Company.
- 3/ Including the development of a project on an adjacent area to dunitD2 Chiang Mai to become a hotel and restaurants.

Figure 3: Timeline of Transaction 2



The Company expects to acquire the Remaining Shares (82%) of PCC in around 2026, and PS 2 and KCC in around 2028, which is in accordance with its 5-year investment strategy.

Figure 4: Location of the Lannatique Destination Project



(2.1) Acquisition of Ordinary Shares of The Plaza Chiangmai Company Limited in order to Acquire Land and Constructions for the Development of the Lannatique The Plaza Project

The Company and/or its subsidiaries will develop the Lannatique The Plaza Project (a part of the Lannatique Destination Project) by purchasing 17,000,000 ordinary shares¹⁵ with par value of Baht 10 per share of The Plaza Chiangmai Company Limited ("PCC"), representing 100% of total issued and paid-up shares of PCC, totaling Baht 650.33 million, with additional payment of 5% p.a., compounded on the unpaid balance of approximately Baht 147.33 million, bringing the maximum amount to approximately Baht 797.66 million.¹⁶ The Company and/or its subsidiaries (collectively referred to as the "Purchasers of PCC Ordinary Shares") will jointly purchase all ordinary shares of PCC from (1) TCC Capital Land Company Limited and (2) Queen's Park Hotel Company Limited (collectively referred to as the "Sellers of PCC Ordinary Shares"), which are in the Group of Companies of the Grantor. The two parties agree to comply with the provisions and requirements set out in the PCC Share Purchase Agreement between the Sellers of PCC Ordinary Shares and the Purchasers of PCC Ordinary Shares. The Company and/or its subsidiaries will make the share payment and the additional payment wholly in cash.

The Company plans to use funds for development of the Lannatique The Plaza Project (including the development of a project on an adjacent area to dusitD2 Chiang Mai) (including interest on loan during project development), in the amount of Baht 2,147.55 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 2,945.21 million (inclusive of VAT).

Project format: PCC is the owner of land and constructions located on Chang Khlan Road, Chang Khlan Sub-district, Muang District, Chiang Mai Province, covering a total area of 2-3-10 rai. The Company will develop on such plot of land an 85-room upper upscale hotel with a Japanese setting and atmosphere, which will be under the management of an upper upscale hotel brand. In addition, the project includes the development of a hotel and restaurants on an adjacent area to 102-room dusitD2 Chiang Mai (which is the Company's asset) (resulting in a grand total room count of 187 rooms). Project development will commence around the end of 2024 and hotel opening is expected by Q1/2028.

(2.2) Acquisition of Ordinary Shares in Permsub Siri 2 Company Limited in order to Acquire Leasehold Rights of Land and Constructions for the Development of the Lannatique Bazaar Project

¹⁵ Before proceeding with the transaction, the Sellers of PCC Ordinary Shares will increase capital and use the proceeds to repay all shareholder loans, leaving PCC with no outstanding loan. The number of ordinary shares to be issued as part of the capital increase will be contingent upon the debt burden at that time, with no impact on the acquisition price of ordinary shares. As of December 31, 2023, the amount of principle of such loan was at Baht 204.70 million and interest payable was at Baht 0.39 million.

¹⁶ Please refer to Footnote 6 on page 4.

The Company and/or its subsidiaries will develop the Lannatique Bazaar Project (a part of the Lannatique Destination Project) by purchasing **5,000,000** ordinary shares¹⁷ with par value of Baht 10 per share in Permsub Siri 2 Company Limited ("PS2"), representing 100% of total issued and paid-up shares of PS2, totaling Baht 346.45 million, with additional payment of 5% p.a., compounded on the unpaid balance, of approximately Baht 78.49 million, bringing the maximum amount to approximately Baht 424.94 million.¹⁸ The Company and/or its subsidiaries (collectively referred to as the "**Purchasers of PS2 Ordinary Shares**") will jointly purchase all ordinary shares of PS2 from (1) TCC Capital Land Company Limited and (2) Queen's Park Hotel Company Limited (collectively referred to as the "Sellers of PS2 Ordinary Shares"), which are in the Group of Companies of the Grantor. The two parties agree to comply with the provisions and requirements set out in the PS2 Share Purchase Agreement between the Sellers of PS2 Ordinary Shares and the Purchasers of PS2 Ordinary Shares. The Company and/or its subsidiaries will make the share payment and the additional payment wholly in cash.

The Company plans to use funds for development of the Lannatique Bazaar Project (including interest on loan during project development) in the amount of Baht 2,865.95 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 3,290.89 million (inclusive of VAT).¹⁹

Project format: PS2 is the holder of the leasehold rights of land and constructions. The 30-year lease expires on June 30, 2044, which leaves approximately 20 years and 4 months of the lease remaining as of February 28, 2024 (before the expiration of the Lease Agreement, if the Lessee wishes to extend the lease, the Lessee has to notify the Lessor in writing at least 3 years prior to the expiration of the Lease Agreement). The property is located on Chang Khlan Road, Mueang District, Chiang Mai Province, and will be used for the development of a 297-room upper upscale hotel to be managed by an upper upscale brand on an area of 6-1-22 rai, which is part of the development of the Lannatique Destination Project and will be an extension of the adjacent Chiang Mai Marriott Hotel, as well as a shopping area and a car park building. The Company plans to commence project development around the end of 2024 and the project is expected to open for service by Q4/2029.

(2.3) Acquisition of Ordinary Shares in Kalare Chang Klan Chiangmai Company Limited in order to Acquire Land and Constructions for the Development of the Lannatique Kalare Project

The Company and/or its subsidiaries will develop the Lannatique Kalare Project (a part of the Lannatique Destination Project) by purchasing **50,000,000** ordinary shares²⁰ with par value of Baht 10 per share in Kalare Chang Klan Chiangmai Company Limited ("KCC"), representing 100% of total issued and paid-up shares of KCC, totaling Baht 2,451.22 million, with additional payment of 5% p.a., compounded on the unpaid balance, of approximately Baht 555.33 million, bringing the maximum amount to approximately Baht 3,006.55 million.²¹ The Company and/or its subsidiaries (collectively referred to as the "**Purchasers of KCC Ordinary Shares**") will jointly purchase all ordinary shares of KCC from (1) TCC Capital Land Company Limited and (2) Queen's Park Hotel Company Limited (collectively referred to as the "Sellers of KCC Ordinary Shares"), which are in the Group of Companies of the Grantor. The two parties agree to comply with the provisions and requirements set out in the KCC Share Purchase Agreement between the Sellers of KCC Ordinary Shares and the Purchasers of KCC Ordinary Shares. The Company and/or its subsidiaries will make the share payment and the additional payment wholly in cash.

The Company plans to use funds for development of the Lannatique Kalare Project (including interest on loan during construction) in the amount of Baht 3,488.74 million (inclusive of VAT), making

¹⁷ Before proceeding with the transaction, the Seller of PS2 Ordinary Shares will increase capital and use the proceeds to repay all shareholder loans, leaving PS2 with no outstanding loan. The number of ordinary shares to be issued as part of the capital increase will be contingent upon the debt burden at that time, with no impact on the acquisition price of ordinary shares. As of December 31, 2023, the amount of principle of such loan was at Baht 183.13 million and interest payable was at Baht 0.35 million.

¹⁸ Please refer to Footnote 8 on page 4.

¹⁹ Furthermore, PS2 has rental obligations to be paid throughout the lease term in the total amount of approximately Baht 67.56 million. Thus, the total investment amount that the Company and/or its subsidiaries shall pay is approximately Baht **3,358.45** million.

²⁰ Before proceeding with the transaction, the Sellers of KCC Ordinary Shares will increase capital and use the proceeds to settle the loan from shareholders in full. The number of ordinary shares to be issued as part of the capital increase will be contingent upon the debt burden at that time, with no impact on the acquisition price of ordinary shares.

²¹ Please refer to Footnote 10 on page 5.

up a total investment payable by the Company and/or its subsidiaries of Baht 6,495.29 million (inclusive of VAT).

Project format: KCC is the owner of land and constructions located on Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province, opposite to the Lannatique The Plaza Project and the Lannatique Bazaar Project and next to Melia Chiang Mai, covering a total area of 12-1-68.2 rai. The Company will develop this area into a 168-room luxury hotel to be managed by world-class chain, shopping center, lifestyle market, and entertaining art center, with indoor amusement and water park. The Company plans to commence project development around the end of 2024 and commence Phase 1 operation (lifestyle market and art village) by Q2/2025, Phase 2 operation (shopping center) by Q4/2027, and Phase 3 (hotel) by Q4/2030.

Transaction 3: Additional Payment for the Shares to Acquire the Investment Rights in the OP Garden Project

Background

The Annual General Meeting of Shareholders of the Company on April 20, 2020 approved the **investment in AWC Charoenkrung Asset Company Limited ("ACA") (formerly named as "Asiatic Hotel Collection Company Limited") in order to develop the Asiatique The Riverfront Extension Project, under the condition that the Seller of ACA Ordinary Shares²² have to transfer the OP Garden Project (ACA's asset) out of ACA.**

Consequently, the Company received the approval from the 2022 Annual General Meeting of **Shareholders on April 22, 2022 to invest in Imm Hotel Charoenkrung Company Limited ("Swan Project")** in order to develop into Nobu Hotel Bangkok. This emphasizes the importance of developing the OP Garden Project, which locates in the same area, as a continuous project for maximum benefit of the Company.

On May 11, 2023, the Company and its subsidiary acquired all 1,850,000 ordinary shares of ACA, representing 100% of total shares of ACA, from the Sellers of ACA Ordinary Shares. However, the Sellers of ACA Ordinary Shares did not transfer the OP Garden Project out of ACA as the Company has studied the investment and wishes to acquire the OP Garden Project. The acquisition price of ACA that the Company paid to the Sellers of ACA Ordinary Shares on May 11, 2023 did not include value of assets relating to the OP Garden Project.

Therefore, the Company has to make additional payment for assets relating to the OP Garden Project in order to complete the transaction (under this transaction, the Company shall not acquire any additional shares of ACA but shall have the full ownership in the OP Garden Project under ACA).

Details of Transaction 3

The Company and/or its subsidiaries (collectively referred to as the "Purchasers of ACA Ordinary Shares") will develop the OP Garden Project (a part of the development of Charoen Krung 36 – 40 area) by making an additional payment of Baht 440.00 million for shares of AWC Charoenkrung Asset Company Limited (ACA) (a subsidiary of the Company, formerly Asiatic Hotel Collection Company Limited to the Sellers of ACA Ordinary Shares which is a member in the Group of Companies of the Grantor, hence, is deemed as the connected person of the Company).

The objective is to acquire the rights to invest in the OP Garden Project, consisting of land and constructions on a total area of 0-3-90 rai and a leasehold rights of 0-0-76.6 rai, to develop it into a 60-room luxury hotel, which will be connected to the Nobu Hotel Bangkok (a joint development project between the OP Place Project and the Swan Project, which have land adjacent to each other) and the Plaza Athenee Nobu Hotel and Spa Bangkok, which are located in a contagious area in the Charoen Krung 36 - 40 area. This initiative **aligns with the plan to link AWC's business group and The Journey of A River** concept of the Company to push this area to become a luxury tourism center of the region and elevate Thailand's tourism to another level.

The Company plans to use funds for development of the project (including interest on loans during project development) in the amount of Baht **623.40** million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht **1,063.40** million (inclusive of VAT). **Project format:** ACA's existing shareholders are the owner of the rights in the OP Garden Project (currently in service), comprising land and constructions, located on a total area of 0-3-90 rai, and the leasehold rights to a plot of 0-0-76.6 rai land (20-year leasehold rights, starting from January 1, 2008

²² Consisting of (1) TCC Capital Land Company Limited, (2) Muang Kao Company Limited, and (3) Phanthamaitree Company Limited.

to December 31, 2027). The Company wishes to extend the Land Lease Agreement. However, if it is unable to do so, the OP Garden Project will not be affected since the 2-storey commercial building, car park building, and residential house located on the lease land are not under the development plan of the project. The Company will develop the OP Garden Project into a 60-room luxury hotel that will be connected to the adjacent Nobu Hotel Bangkok (Charoen Krung 36 – 38 Road) and the Plaza Athenee Nobu Hotel and Spa Bangkok (Charoen Krung 40 Road), located on a contiguous Charoen Krung 36 – 40 area, in line with the plan to connect **AWC's business group in Charoen Krung area** together. The aim is to develop the areas on the bank of the Chao Phraya River into a tourist destination under The Journey of A River concept to cater for the high-end target group. The OP Garden Project will commence the development in Q3/2024 and is scheduled to open for service by Q4/2027.

Investment format of projects under Transaction 1 – Transaction 3 can be summarized as follows:

Investment Format of Transaction 1 and Transaction 2	
Project format	An investment in all ordinary shares of 38D, PCC, PS2, and KCC according to the investment framework of the AWC Growth Fund. As of the transaction date, the Company and its subsidiaries will purchase ordinary 18% of shares of 38D, PCC, PS2, and KCC and purchase the remaining 82% within 5 years, which may be a single purchase or multiple acquisitions.
Principles and Rationales	Since core assets of 38D, PCC, PS2, and KCC are land and constructions and leasehold rights of land and/or constructions, which are assets that the Company desires, the Company therefore invests in all shares of 38D, PCC, PS2, and KCC according to the investment aforementioned framework. This enables AWC to manage its capital more efficiently and to enhance its capability to develop a variety of projects. Regarding the payment for shares of 38D, PCC, PS2, and KCC, the Company has set the investment structure that it will purchase 18% of shares in the first tranche, and has the rights to purchase the remaining shares within 5 years from the date on which the shareholders' meeting of the Company approves the entering into the transactions, subject to the additional payment of 5% p.a., compounded on the unpaid balance. In this regard, the Company shall be able to determine the timing of investment in the Remaining Shares of 38D, PCC, PS2, and KCC as deem appropriate, providing the flexibility in investment management, by taking into consideration its liquidity and cash flows from the projects. Initially, 38D, PCC, PS2, and KCC will use loans from financial institutions to finance the project development (the Company is currently under the consideration of loan conditions and selection of financial institutions) which may require fixed assets of 38D, PCC, PS2, and KCC as collateral. The Company believes that 38D, PCC, PS2, and KCC will obtain an adequate amount of credit lines for development of the projects.
Investment Format of Transaction 3	
Project format	The additional payment for ACA ordinary shares to acquire investment rights in the OP Garden Project. (a) As at the transaction date, the Company and/or its subsidiaries are shareholders of 1,850,000 ACA shares at par value of Baht 10 per share, representing 100% of total issue and paid-up shares of ACA. (b) Thus, the additional payment is the payment for additional price of shares, by which number of shares and shareholding in ACA in (a) remain unchanged.
Principles and Rationales	The Company and its subsidiaries proceeded to purchase all ordinary shares of ACA on May 11, 2023, as approved at the 2020 Annual General Meeting of Shareholders, for investment in the Asiatique The Riverfront Extension Project or Asiatique 2.2 (the acquisition price of ACA shares that the Company paid to the Sellers of ACA Ordinary Shares on May 11, 2023 did not include value of assets relating to the OP Garden Project). The Company has studied the investment in the OP Garden Project and considers it a crucial part of "The Journey of A River" concept. Therefore, it proposes the shareholders' meeting to consider and approve an additional payment for ACA ordinary shares for the OP Garden Project. Initially, ACA will use loans from financial institutions to finance the project development. The Company will consider the loan conditions that provide the maximum benefit to the Company and believes that it will obtain an adequate amount of credit lines for development of the project.

In summary, the entering into the transactions will enable the Company and/or its subsidiaries to acquire land, constructions, and leasehold rights for the development of 382-room upper upscale hotel and 470-room luxury hotel, totaling 852 rooms, along with commercial space for lease (*Please refer to details of assets of each transaction in Part 1 of this report.*) as follows:

Transaction	Type of Asset/Location	Project Name	Owner/Lease Holder
1	Leasehold rights of vacant land for a duration of 60 years, starting from the completion date of construction <u>Area</u> : 2-0-18 rai <u>Location</u> : Corner of Sukhumvit Road and Soi Sukhumvit 38 , Phra Khanong Sub-district, Khlong Toei District, Bangkok	The Company plans to develop as part of the Sukhumvit 38 Hotel Project, aiming to establish a 242-room luxury hotel under the concept of health and wellness, the first of its kind in Thong Lo. The hotel will be the first project under the master plan for the development of the Sukhumvit 38 area, catering to upper-tier clientele.	<u>Holder of the leasehold rights</u> : 38 Development company Limited

Transaction	Type of Asset/Location	Project Name	Owner/Lease Holder
2	Land and constructions <u>Area:</u> 2-3-10 rai <u>Location:</u> Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province	The Company plans to develop the Lannatique Destination Project on a total area of 21-2-0.2 rai (including the development of a project on the adjacent area to dusitD2 Chiang Mai as a hotel and restaurants on an area of 2-2-67 rai and the servitude land with an area of 1-2-51 rai), which includes - Lannatique The Plaza Project, - Lannatique Bazaar Project, and - Lannatique Kalare Project, to be upper upscale hotel, luxury hotel, retail space, lifestyle market, entertaining art center, and indoor amusement and water park. It will be a large mixed-use development in the heart of Chiang Mai, with the following number of rooms: <u>Lannatique the Plaza Project:</u> 85 rooms (when combined with the development of the project on and adjacent area to dusitD2 Chiang Mai, total number of rooms will be 187 rooms) <u>Lannatique Bazaar Project:</u> 297 rooms <u>Lannatique Kalare Project:</u> 168 rooms	<u>Owner:</u> The Plaza Chiangmai Company Limited
	Leasehold rights of a plot of land and constructions (a 30-year lease period ending on June 25, 2044) <u>Area:</u> 6-1-22 rai <u>Location:</u> Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province		<u>Holder of the leasehold rights:</u> Permsub Siri 2 Company Limited
	Land and constructions <u>Area:</u> 12-1-68.2 rai <u>Location:</u> Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province		<u>Owner:</u> Kalare Chang Klan Chiangmai Company Limited.
3	Land and constructions of the OP Garden Project with an <u>area</u> of 0-3-90 rai and leasehold rights of land and construction <u>Area:</u> 0-0-76.6 rai <u>Location:</u> Charoen Krung Road (corner of Soi Charoen Krung 36 (Trok Rong Phasi)), Bangrak Sub-district, Bangrak District, Bangkok	The Company plans to develop the OP Garden Project to be a 60-room luxury hotel, which will be connected to the adjacent Nobu Hotel Bangkok, as well as The Plaza Athenee Nobu Hotel and Spa Bangkok, aligning with the plan to connect AWC's business groups in the Charoen Krung area. This is to further connect with the Journey of A River concept across various projects of the Company to accommodate upper-tier clientele.	<u>Owner:</u> ACA's existing shareholders

Remark: 1/ The Company wishes to extend the Land Lease Agreement with the Lessor (the Crown Property Bureau). However, if it is unable to do so, the operation and development of the OP Garden Project shall not be affected because the 2-storey commercial building, car park building, and residential building located on the lease land are not under the project development plan.

If the Company and/or its subsidiaries pay for the Remaining Shares (82% of total shares in 38D, PCC, PS2, and KCC) after April 26, 2024, the Company is subject to additional payment of 5% p.a., compounded annually on the unpaid balance. As such, the Company must exercise judgment as to whether the investment is worthwhile in the best interest of the Company and its shareholders. In this regard, the Company shall determine the timing of investment in the Remaining Shares of 38D, PCC, PS2, and KCC as deem appropriate, providing the flexibility in investment management, by taking into consideration its liquidity and cash flows from the projects.

The highest transaction size of the 3 transactions is equal to 9.87% according to the total value of consideration criteria based on the audited consolidated financial statements of the Company as of December 31, 2023. When combined with the acquisition of assets of the Company during the past 6 months prior to the date the Board of Directors resolved to propose **the shareholders' meeting** of the Company to consider and approve the entering into the transactions, the highest transaction size is equal to 10.62% which is less than 15%. Therefore, the Company is not required to disclose information on the entering into these transactions to the SET. However, the entering into such 3 transactions result in the acquisition of the subsidiaries, the Company is then required to disclose information on the **investment in subsidiaries to the SET. The Board of Directors shall propose the shareholders' meeting** to consider and approve the entering into the asset acquisition transactions and connected transactions at the same time.

The entering into the 3 transactions above are deemed as connected transactions as it is the entering into the transactions with the companies in the Group of Companies of the Grantor who is major shareholder of the Company, having direct and indirect shareholding higher than 10.00% of total issued and paid-up shares of the Company. Size of connected transactions is 19.83% of net tangible asset of the Company and its subsidiaries as of December 31, 2023. The Company has not engaged in any connected transactions with the Grantor and Group of Companies of the Grantor within the past 6 months prior to the date on which the Company's Board of Directors resolved to propose the shareholders' meeting to consider and approve the entering into the transactions in this instance.

Therefore, the Company is required to disclose information on the entering into the asset acquisition and connected transactions to the SET, appoint the independent financial advisor to render

the opinion to the shareholders, and seek **for an approval from shareholders' meeting with affirmative** votes of at least three-fourths of the total votes of shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interest.

Capital Advantage Company Limited ("**Independent Financial Advisor**" or "**IFA**" or "**CapAd**") is appointed by the Company as the independent financial advisor to render an opinion on reasonableness and appropriateness of prices and conditions concerning asset acquisition and connected transactions. CapAd has considered objectives and necessities of the transactions, as well as advantages, disadvantages, benefits, and risks as follows:

The Company plans to constantly develop a variety of property projects to create consistent and sustainable cash flow and add value to its long-term investment, which will ultimately lead to sustainable growth.

The Company has consistently invested in assets and various projects that are promising for development. Investments have been made in assets from the TCC Group and the third parties. The **Company's real estate projects are sited in Thailand's prominent business and tourism areas. All of its** properties in the hospitality business can be found in the popular business and tourism destinations all over the country such as Bangkok, Chiang Mai, Phuket, Hua Hin, Surat Thani (Samui Island), and Krabi under collaboration with a number of leading international hoteliers.

The Company will continue to have guidelines for managing properties that are promising and viable for investment to expand its business in line with its growth strategy, focusing on generating cash flow from its strengths in managing and developing the Company's projects, while aligning with its investment criteria and framework. Some of the properties are under the ownership of the TCC Group.

The entering into the asset acquisition and connected transactions represents a continuous development of projects for the future. This will increase the number of rooms and the ratio of luxury and upper upscale hotels, as well as commercial spaces, in prime locations with strong potential. Each location will have its unique selling points within the Company's portfolio, connecting with the **AWC business group's projects in each area, thus creating significant** landmarks for the Company as key tourist destinations.

Therefore, the investment will allow for ongoing property development and portfolio management of the Company, as well as diversification of revenue sources, which will lead to consistent and sustainable growth in the future and help to add value to long-term investment and enhance the **Company's growth potential as well as benefits to the Company and all shareholders.**

The Company will benefit from the asset acquisition transactions and the connected transactions as follows:

Transaction 1: Acquisition of Ordinary Shares in 38 Development Company Limited in order to Acquire Leasehold Rights for the Development of Sukhumvit 38 Hotel Project

Advantages and benefits of Transaction 1 are as follows:

- (1) The **transaction can support the Company's ongoing growth, which will help to expand its cash flow** and quality portfolio in the long term and lead to its sustainable growth.
- (2) It is the management of the overall hospitality investment portfolio by increasing number of guest **rooms and ratio of upper upscale and luxury hotels in the Company's portfolio.**
- (3) The Company will acquire a large parcel of land in prime location with business potential, which currently is difficult to find in that area that is suitable for hotel development and can be leveraged uniquely for each location, and which will continuously generate cash flow, EBITDA, and income for the Company in the long term.
The project is a luxury hotel that focuses on health and the first oasis in Thong Lo under the concept of "Holistic Wellness". This aims to provide a hotel stay and comprehensive health services integrated with natural surroundings amidst the hustle and bustle of the Thong Lo district and urban lifestyle. It caters to high-purchasing power customer groups, allowing connections between relaxation and activities within the accommodation, potentially extending the length of stay.
- (4) It is the investment in projects with long-term leasehold rights and under favorable conditions. The leasehold rights for the Sukhumvit 38 Hotel Project have a total duration of 60 years, starting from the day after the completion of construction. The leasehold rights have been registered, rent has been fully paid, and development of the project can commence immediately.
- (5) **The enlargement of the Company's size of business leads to higher operating income and increase** of performing assets that can generate more revenue in the long run.

However, Transaction 1 is associated with the following disadvantages and risks:

- (1) The Company will incur higher debt obligations, interest expenses, and debt to equity (D/E) ratio.

When considering the overview of all 3 transactions as if the Company paid all investments at once, the Company would have maximum additional debt equal to approximately Baht 17,024.05 million (including the liabilities of 38D, PCC, PS2, KCC, and ACA incorporated into the Company's consolidated financial statements). Therefore, after completing these transactions, if calculated based on the aforementioned financial statements and without considering future performance, the financial ratios would still comply with the financial covenants of the financial institutions (*the actual ratios will depend on the financial data at the time of closing, during which the Company will split the payment for ordinary shares of 38D, PCC, PS2, and KCC into 2 parts, and during the project development period for 38D, PCC, PS2, KCC, and ACA between 2025 - 2030*), as follows:

Financial Ratio	Prior to the Entering into the Transaction (Based on 2023 Financial Statements)	After the Entering into the Transaction				Financial Covenants According to Current Loan Agreement with Financial Institutions
		Transaction 1	Transaction 2	Transaction 3	Total 3 Transactions	
D/E ratio	0.97 time	1.01 times	1.12 times	0.98 time	1.17 times	-
Interest-bearing D/E ratio	0.90 time	0.95 time	1.08 times	0.92 time	1.13 times	Not exceed 1.5 times, based on consolidated financial statements of the Company
Debt Service Coverage Ratio (DSCR) and Interest Coverage Ratio (ICR)	3.04 times	2.89 times	2.53 times	2.99 times	2.40 times	At least 2 times, and other conditions ^{1/}

Remark:

- 1/ Under such loan agreement, the Company is obligated to fulfill the conditions such as maintenance of financial ratios, maintenance of control in the group of family-owned businesses, and maintenance of shareholding percentage in the Company and/or its subsidiaries. The Company is also subjected to certain restrictions such as the Company and/or its subsidiaries must not transfer, dispose, rent, or incur encumbrances on the assets of the Group of Companies, unless such encumbrances are required by law or under the normal course of business.

- (2) Risks involved with property development and business operation which may cause the project to fail to achieve the expected performance.

(2.1) Risk arising from competition among hotels in the nearby area, which will be luxury and upper upscale hotels in the Sukhumvit area and surrounding areas.

(2.2) Risk potentially arising from reliance on the target groups which mostly are international tourists with high purchasing power.

(2.3) Risk potentially arising from cost overrun

(2.4) Risk concerned with application for relevant permits such as the EIA approval, construction permit, building modification permit, hotel business license. Presently, the Company does not file for any application. It shall proceed after the Company receives an approval from **this shareholders' meeting**.

- (3) Risk incidental to the past tax burden of 38D

The legal due diligence of 38D was conducted only on the current cases. From such legal due diligence, there are no court cases, disputes, or other legal proceedings that have not been finalized but the Company may still be prone to risk incidental to the past tax burden of 38D since no tax due diligence of 38D is conducted because it is an asset-holding company (leasehold rights) and has no core business operation. However, the Sellers of 38D Ordinary Shares have provided the representation and warranty and also specified the liability for such tax in the Draft 38D Share Purchase Agreement. There is also a condition that the Purchasers of 38D Ordinary Shares must notify the Sellers of 38D Ordinary Shares of the liability for any damage caused by the Sellers of 38D **Ordinary Shares' breach of the representation and warranty within 12 months from the date of sale and purchase of the first 18% shares (if any)**. Therefore, once the Company has acquired 38D shares, it should thoroughly review all risks and notify the Sellers of 38D Ordinary Shares of its request in writing within 12 months from the date of sale and purchase of the first 18% shares (if any).

Transaction 2: Acquisition of Ordinary Shares in 3 Companies in order to Acquire Land and Leasehold Rights of the Property for the Development of the Lannatique Destination Project

Advantages and benefits of Transaction 2 are as follows:

- (1) The transaction aligns with the overall business strategy and development plan of the Company, which will lead to the creation of added value for investments in the long term and sustainable growth for the Company.
- (2) It is the investment portfolio management through development of a large mixed-use project which will diversify revenue to cover both core business groups of the Company.
The Company will increase its hotel room count by 550 rooms (if including the development of the project on adjacent area to 102-room DusitD2 Chiang Mai, the total room count will add up to 652 rooms). Additionally, there will be an increase in retail space for lease, which will contribute to an additional Net Leasable Area (NLA) of approximately 28,577 sq.m., generating additional revenue for the hospitality business and the retail and commercial buildings business.
- (3) The Company will acquire a large parcel of land in prime location with business potential, which currently is difficult to find in that area and is adjacent to the land belonging to the Company and suitable for developing large-scale Mixed-Used Project, and which will be used to support the operation and continuously generate cash flow, EBITDA, and income for the Company in the long term.
- (4) The project has an attractive selling point as it will feature the first large mixed-use project in Chang Khlan area, consisting of hotels, retail mall, commercial space, and an arts and culture exhibition **zone, which will become Chiang Mai's and Thailand's new landmark.**
The Lannatique Destination Project is a mixed-use property divided into **3** sub-projects: Lannatique The Plaza Project, Lannatique Bazaar Project, and Lannatique Kalare Project. It is constructed on a total area of **30-2-41.7** rai, which includes:
 - (a) **3** hotels with **3** different styles: a luxury hotel featuring a water park and indoor amusement park and upper upscale hotels;
 - (b) The area for a lifestyle market and art market, an arts entertainment center, and crafts from across the Northern region, known as The Craft Village;
 - (c) The shopping center that features both luxurious zones in collaboration with global partners and rental space for retail stores and supermarkets; and
 - (d) The theme park, in collaboration with a global partner, includes a water park within the hotel. There are currently no amusement parks or water parks in the city center of Chiang Mai that is surrounded by various tourist attractions in diverse styles, making it another significant selling point of the project.
- (5) The Lannatique Destination Project is a key driver in enhancing and increasing the competitiveness **of the Company's group, as well as facilitating economies of scale.**
From the strengths of the location as described in (3) and the project's strengths as outlined in (4) above, which are significant selling points to drive the Lannatique Destination Project as a tourist destination and a new landmark in Chiang Mai, and as the main project to enhance and increase the competitiveness of AWC's business group in the heart of Chiang Mai, the project will be interconnected with AWC's existing businesses in Chiang Mai, making AWC's business group the owner of the most comprehensive and largest property development project in the Chang Khlan area and Chiang Mai Province.
- (6) PS2 continues to benefit from the car park building, while PCC and KCC have renovated some existing buildings, reducing the development time for the project.
- (7) **The enlargement of the Company's size of business leads to higher operating income and increase of performing assets that can generate more revenue in the long run.**

However, Transaction 2 is associated with the following disadvantages and risks:

- (1) The Company will incur higher debt obligations, interest expenses, and debt to equity (D/E) ratio.
- (2) There is time limit on the use of land for the Lannatique Bazaar Project according to the terms of the Land Lease Agreement.
PS2 will benefit from the use of these constructions and generate income from hotel operations and commercial leasing for a maximum duration of 15 years and 8 months (if operational by Q4/2029). This is a time limit on the use of land in accordance with the lease term. PS2 is still in negotiations to extend the lease for another 30 years from the end of the current Lease Agreement. However, when considering the return on investment according to the term of the Land Lease Agreement, the project is still considered as the worthwhile investment. Thus, if PS2 is unable to renew the lease,

the overall return of the Lannatique Destination Project will not be affected. *(Please refer to additional details in Part 3, Clause 2.2.2, of this report)*

- (3) The land of the Lannatique Destination Project is subject to restrictions on its use in accordance with relevant laws and regulations.

The land use regulations for the Red Zone allow for commercial, residential, and tourism purposes. However, there are restrictions on land use in accordance with relevant laws governing construction control, which prohibit the construction of retail and wholesale commercial buildings with a total floor area exceeding 300 sq.m. In operating the business of renting of property to retail tenants in the shopping center of the Lannatique Destination Project, the Company is not required to obtain a business license and does not fall under the category of retail business operation (which is the direct sale of products to the end user) and wholesale business operation (which is the direct sale of products to the end user and/or distributor).

- (4) Risks involved with property development and business operation which may cause the project to fail to achieve the expected performance

- (4.1) Risk arising from competition among luxury hotels in downtown Chiang Mai and the nearby areas

The Lannatique Destination Project, located in the heart of Night Bazaar, will offer 3 hotels with distinct styles. First, there will be a luxury hotel with an indoor water park and amusement park, connected to the lifestyle market. Next, an upper upscale hotel will provide an ambiance infused with the scent and culture of Japan, offering luxurious accommodations and Japanese-style atmosphere, along with concierge services and comprehensive facilities. Lastly, another upper upscale hotel will cater to families and MICE groups, as an extension of the Chiang Mai Marriott Hotel. The rooms will be decorated in a modern, contemporary style, complemented by artworks depicting the stories and lifestyles of the past of Lanna people.

- (4.2) Risks from competition in the shopping mall and community mall business in Chiang Mai Province.

When considering shopping destinations in Chiang Mai Province, which are popular among Thai and foreign tourists, as well as local residents, foreigners residing in Thailand, students, and scholars, there are large department stores and community malls. These are mostly located in the outskirts of Chiang Mai city and along the superhighway. Meanwhile, the Lannatique Destination Project is in the heart of Nimmanhaemin Road and is the only project located in downtown Chiang Mai.

- (4.3) Risk potentially arising from reliance on purchasing power of the selected target groups that mostly are tourists (similar to Transaction 1)

- (4.4) Risk potentially arising from cost overrun (similar to Transaction 1)

- (4.5) Risk concerned with application for relevant permits such as the EIA approval, hotel business license, etc. (EIA) (similar to Transaction 1)

- (5) Risk incidental to the past tax burden of PCC, PS2, and KCC (similar to Transaction 1)

Transaction 3: Additional Payment for the Shares to Acquire the Investment Rights in the OP Garden Project

Advantages and benefits of Transaction 3 are as follows:

- (1) **It is consistent with the Company's overall business strategy and real estate development plan**, which will lead to the creation of long-term value and sustainable growth for the Company.
- (2) It is the management of the overall hospitality investment portfolio by increasing the total number of guest rooms and ratio of luxury hotels in the Company's portfolio.
- (3) The Company will acquire land and construction in a prime location with business potentials, which currently is difficult to find in that area **and in the same area as the Company's owned land, to build significant landmarks to generate cash flow, EBITDA, and recurring income for the Company in the long term.**
- (4) The OP Garden Project will be a part of enhancing and bolstering the competitiveness of the hospitality business group by creating a significant landmark for the Company, following the luxury hotel development plan in the Charoen Krung 36 - 40 area which is another culturally and architecturally rich district, contributing to economy of scale.

This integration across all three projects (The Plaza Athénée Nobu Hotel and Spa Bangkok, Nobu Hotel Bangkok, and the OP Garden Project) enhances competitiveness and attracts high-income tourists. Moreover, it maximizes land use efficiency and enables the Company to meet and respond

to customer demands effectively. All 3 hotels are considered to complement each other, allowing for the allocation of comprehensive services for each project, ensuring that customers can utilize services without being competitive with each other. With the collaborative management by the Company's teams, the Company shall benefit from economy of scale, which is considered as the optimization of resource management for the maximum benefit of the Company.

- (5) The enlargement of size of **the Company's business leads to higher operating income and increase** of performing assets that can generate more revenue in the long run.

However, Transaction 3 is associated with the disadvantages and risks similar to those of Transaction 1 and Transaction 2.

Benefits and advantages of the entering into the transactions with connected persons in comparison with the transactions with the third parties are as follows:

- (1) **The Company will be entitled to access the TCC Group's land bank that is in prime** locations, which **will support the Company's plan for continuous growth which will help create the advantages and** enhance its competitiveness against other large developers, thereby providing one of the key strengths for the Company.
- (2) The Company is granted flexible conditions from the Sellers.
The TCC Group (seller of ordinary shares in 38D, PCC, PS2, and KCC) has flexible investment and payment conditions to the Company, whereby the Company can divide the investment into 2 phase and obtain the rights to develop the project when paying for the first 18% of shares of 38D, PCC, PS2, and KCC. This includes entering into management contracts to develop the projects for 38D, PCC, PS2, and KC, which enables the Company to commence project development immediately for timely service openings.
Payment for the Remaining Shares is allowed to be made within 5 years ((by April 25, 2029, which is the period when each project is scheduled to commence operations) whether through a single purchase or multiple acquisitions, with additional payment of 5% p.a., compounded annually on the **unpaid balance. This will depend on the Company's financial management plan, by comparing its** finance cost, the possibility of other more worthwhile investment, and return on investment in each period as well as enable the Company to manage liquidity and debt to equity ratio effectively during project development in order to bring about the utmost benefit for the Company.
- (3) The Company has an opportunity to study information on the interesting properties as a basis for further planning and analysis of project feasibility before making an investment decision, together with flexibility in coordination.
- (4) The Company can keep confidential information of the project development during the negotiation for property acquisition.
- (5) The Company will indirectly benefit from the broad network and mutual support among diverse businesses in TCC Group.

Disadvantages of the entering into the transactions with connected persons in comparison with the transactions with the third parties are as follows:

- (1) The Company has to continuously rely on the connected persons (the Right Grantor) in procuring properties for its project development.

However, an investment decision under the Right Granting Agreement with the Grantor who own a large land bank and a great number of projects is considered beneficial to the Company. Besides, as the Company has no access and no offering from any third party, comparison with transactions with any third party is impractical in this case.

After considering objectives and necessities of the transactions as well as advantages, disadvantages, benefits, and risks, the Independent Financial Advisor is of the opinion that the entering into the asset acquisition and connected transactions under the **3** transactions shall benefit and support the continuous growth of the Company, and most of the risks are associated with the operation in the normal course of business. Therefore, the entering into the asset acquisition and connected transactions under these **3** transactions are considered reasonable.

Appropriateness of Conditions in the Summary of the Draft Share Purchase Agreement

When considering the appropriateness of the terms summarized in the Draft Share Purchase Agreement for shares of 38D, PCC, PS2, and KCC (Transaction 1 and Transaction 2), as well as the Draft Memorandum for the Amendment to ACA Share Purchase Agreement No. 2 (Transaction 3), the IFA

believes that the conditions of the related agreements are appropriate and in line with normal course of business, whereby

The Draft 38D Share Purchase Agreement, Draft PCC Share Purchase Agreement, Draft PS2 Share Purchase Agreement, and Draft KCC Share Purchase Agreement additionally specifies the terms of payment as follows: *"The Purchasers of 38D, PCC, PS2, and KCC Ordinary Shares shall purchase 18% of total shares in 38D, PCC, PS2, and KCC by April 26, 2024 (after the Company obtains an approval from the shareholders' meeting to enter the transaction) and the Purchasers of 38D, PCC, PS2, and KCC Ordinary Shares have the right to purchase the remaining 82% of total shares in 38D, PCC, PS2, and KCC from the Sellers of 38D, PCC, PS2, and KCC Ordinary Shares, whether through a single purchase or multiple acquisitions, subject to a condition that the Purchasers of 38D, PCC, PS2, and KCC Ordinary Shares shall pay additional payment of 5% p.a., compounded annually on the unpaid balance. In the case where the Purchasers of 38D, PCC, PS2, and KCC Ordinary Shares fail to complete a transfer of the Remaining Shares within 5 years from the date when the Company obtain an approval from the shareholders' meeting to enter the transaction, the Purchasers of 38D, PCC, PS2, and KCC Ordinary Shares shall pay 5% p.a. compensation, compounded annually on the unpaid balance, and the said agreement shall then be deemed terminated."* and

"The Company and Sellers of 38D, PCC, PS2, and KCC Ordinary Shares will enter into Shareholders' Agreements which specify control and management principles of 38D, PCC, PS2, and KCC. The following matters shall be unanimously approved by directors and/or shareholders from both parties such as change of main business or operating other businesses, and incurring expenses over a limit per fiscal year as specified in the agreement (for day to day operation) except those in the approved budget, change of directors, significant asset disposition, merger and acquisition, capital increase and decrease, and dividend payment."

The Independent Financial Advisor is of the opinion that

(a) The Company obtains flexible conditions from the Sellers of 38D, PCC, PS2, and KCC Ordinary Shares, under which it can gradually invest in 38D, PCC, PS2, and KCC shares by making an initial payment for 18% of all shares in 38D, PCC, PS2, and KCC in order to obtain the right to develop the projects. The Company will undertake the management and development of the projects for 38D, PCC, PS2, and KCC and receive a remuneration as mutually agreed and at the same rate as that charged by the Company from other affiliated companies. Investment in 82% Remaining Shares will depend on **the Company's readiness and decision and can be made within 5 years, in which the Company shall make additional payment of 5% p.a., compounded annually on the unpaid balance.**

In this regard, the Company will have to determine an appropriate timing for investment in the Remaining Shares to ensure the best interest for the Company and/or its shareholders.

(b) The Company has an option to borrow from financial institutions to pay for 38D, PCC, PS2, and KCC shares in a single purchase or multiple acquisitions or opt to pay additional payment of 5% p.a., compounded annually, to the Sellers of 38D, PCC, PS2, and KCC Ordinary Shares and still entitle to the rights to develop the projects. This alternative (b) is at the discretion of the Company. Thus, if the Company views that loan from financial institutions has higher interest rate or inferior conditions or the Company can invest the amount and earn return of more than 5% p.a. or the Company is enable to manage liquidity and debt to equity ratio effectively during project development in order to bring about the utmost benefit for the Company, the additional payment of 5% p.a. to the Sellers of 38D, PCC, PS2, and KCC Ordinary Shares may be beneficial to the Company. The Independent Financial Advisor, therefore, is of the opinion that the condition on additional payment of 5% p.a., compounded annually on the unpaid balance, provides flexibility and alternative of project financing, which will be beneficial to the Company. **This also enhances the Company's capacity to develop multiple projects simultaneously under the investment structure of AWC Growth Fund.**

In addition, the Independent Financial Advisor is of the opinion that other conditions in the Draft 38D Share Purchase Agreement, Draft PCC Share Purchase Agreement, Draft PS2 Share Purchase Agreement, Draft KCC Share Purchase Agreement, and Draft Memorandum for the Amendment to ACA Share Purchase Agreement are appropriate, in accordance with normal business practices, and at arm-length basis.

(c) Significant conditions relating to change of main business or operating other businesses, incurring expenses, change of directors, significant asset disposition, merger and acquisition, capital increase and decrease, and dividend payment of 38D, PCC, PS2, and KCC, under the Shareholders' Agreements, must be unanimously approved by directors and/or shareholders from both parties. This

is beneficial to the Company during the period that the Company has not yet held all shares of 38D, PCC, PS2, and KCC.

In considering the appropriateness of prices and conditions of the asset acquisition and connected transactions, the Independent Financial Advisor has the following opinions:

Transaction 1: Acquisition of Ordinary Shares in 38 Development Company Limited in order to Acquire Leasehold Rights for the Development of Sukhumvit 38 Hotel Project

Comparison of acquisition price of ordinary shares of 38D and fair value of asset (leasehold rights of land) as determined by CBRE (Thailand) Company Limited ("**CBRE**"), an independent property appraiser, is as follows:

The Sukhumvit 38 Hotel Project (38D)	Fair Value of 38D Shares (Baht million)	Acquisition Price of 38D Shares (Baht million)	Fair Value Higher (Lower) than Acquisition Price	
			(Baht million)	(%)
	(1)	(2)	(3) = (1) – (2)	(4) = (3)/(2)
Leasehold rights of land (core assets of 38D)	1,145.00 ^{1/}	998.00 ^{2/}	147.00	14.73%

Remark:

- 1/ Fair value of leasehold rights of land based on the Property Appraisal Report No. I241011001 dated January 16, 2024, prepared by CBRE (Thailand) Company Limited.
- 2/ Acquisition price of all ordinary shares of 38D is equal to Baht 998.00 million (exclusive of additional payments in the future).

The appraised value of leasehold rights of land (or all ordinary shares of 38D) determined by CBRE is equal to Baht 1,145.00 million, which is higher than the acquisition price of all ordinary shares of 38D by Baht 147.00 million, or 14.73% higher than the acquisition price. Therefore, the Independent Financial Advisor is of the opinion that the acquisition price of ordinary shares of 38D in the total amount of Baht 998.00 million (exclusive of additional payments in the future) is appropriate.

From the feasibility study of the Sukhumvit 38 Hotel Project, the Independent Financial Advisor finds that net present value (NPV) of the project, after deduction of acquisition price of ordinary shares of 38D in total amount of Baht 998.00 million, is in the range of Baht 687.58 – 1,002.07 million (Baht 907.35 million in the base case), IRR is in the range of 9.25% – 10.11% p.a. (9.68% p.a. in the base case) which is higher than the discount rate (WACC) of 7.98% p.a., and payback period is 9.66 – 10.90 years (10.27 years in the base case) from the first date of revenue recognition from the Sukhumvit 38 Hotel Project (September 1, 2028). Therefore, the Independent Financial Advisor is of the opinion that the acquisition price of all ordinary shares of 38D in the total amount of Baht 998.00 million and the investment budget for the development of the Sukhumvit 38 Hotel Project is feasible and appropriate.

Transaction 2: Acquisition of Ordinary Shares in 3 Companies in order to Acquire Land and Leasehold Rights of the Property for the Development of the Lannatique Destination Project

Comparison of acquisition price of ordinary shares of PCC, PS2, and KCC in order to acquire land and constructions and leasehold rights of land for the development of the Lannatique Destination Project and fair value of assets as determined by Knight Frank Chartered (Thailand) Company Limited ("**Knight Frank**" or the "Independent Property Appraiser") is as follows:

Lannatique Destination Project	Fair Value of Shares of PCC, PS2, and KCC (Baht million)	Acquisition Price of Ordinary Shares of PCC, PS2, and KCC (Baht million)	Fair Value Higher (Lower) than Acquisition Price	
			(Baht million)	(%)
	(1)	(2)	(3) = (1) – (2)	(4) = (3)/(2)
Land and constructions and leasehold rights of land (core assets of PCC, PS2, and KCC)	3,456.00 ^{1/}	3,448.00 ^{2/}	8.00	0.23

Remark:

- 1/ Fair value of land and constructions and leasehold rights of land based on the Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited.
- 2/ Acquisition price of all ordinary shares of PCC, PS2, and KCC is equal to Baht 3,448.00 million (exclusive of additional payments in the future).

The appraised value of land and constructions and leasehold rights of land for the development of the Lannatique Destination Project (or value of all ordinary shares of PCC, PS2, and KCC) determined by the Independent Property Appraiser is equal to Baht 3,456.00 million, which is higher than the acquisition price of all ordinary shares of PCC, PS2, and KCC by Baht 8.00 million, or higher by 0.23% of the acquisition price. Therefore, the Independent Financial Advisor is of the opinion that the acquisition price of all ordinary shares of PCC, PS2, and KCC in the total amount of Baht **3,448.00** million (exclusive of additional payments in the future) is appropriate.

From the feasibility study of the Lannatique Destination Project, the Independent Financial Advisor finds that net present value (NPV) of the project, after deduction of acquisition price of all ordinary shares of PCC, PS2, and KCC in total amount of Baht 3,448.00 million (exclusive of additional payments in the future), is in the range of Baht 1,520.90 – 3,128.08 million (Baht 2,323.11 million in the base case), IRR is in the range of 8.78% – 9.82% p.a. (9.30% p.a. in the base case) which is higher than the discount rate (WACC) of 7.98% p.a., and payback period is 12.99 – 14.10 years (13.55 years in the base case) from the first date of revenue recognition from the Lannatique Destination Project (June 1, 2025, the schedule opening of the first phase which is the Lannatique Kalare Project – Lifestyle Market). Therefore, the Independent Financial Advisor is of the opinion that the acquisition price of all ordinary shares of PCC, PS2, and KCC in the total amount of Baht **3,448.00** million (exclusive of additional payments in the future) and the investment budget for the development of the Lannatique Destination Project is feasible and appropriate.

Transaction 3: Additional Payment for the Shares to Acquire the Investment Rights in the OP Garden Project

Comparison of acquisition price of land and leasehold rights of land and constructions of the OP Garden Project and fair value of assets as determined by the Independent Property Appraiser (Knight Frank) is as follows:

OP Garden Project	Fair Value of Assets (Baht million)	Acquisition Price (Baht million)	Fair Value Higher (Lower) than Acquisition Price	
			(Baht million)	(%)
	(1)	(2)	(3) = (1) – (2)	(4) = (3)/(2)
Land and leasehold rights of land	452.00	440.00	12.00	2.73

Remark:

- 1/ Fair value of leasehold assets based on the Property Appraisal Report No. R0006/2024 dated January 24, 2024, prepared by Knight Frank Chartered (Thailand) Company Limited.
- 2/ Total acquisition price of land and leasehold rights of land and constructions for development of the OP Garden Project is equal to Baht 440.00 million.

The appraised value of land and leasehold rights of land and constructions of the OP Garden Project determined by the Independent Property Appraiser is equal to Baht 452.00 million, which is higher than the acquisition price by Baht 12.00 million, or higher by 2.73% of the acquisition price. Therefore, the Independent Financial Advisor is of the opinion that the acquisition price of land and leasehold rights of land and constructions of the OP Garden Project at the amount not exceeding Baht 440.00 million is appropriate.

From the feasibility study of the OP Garden Project, the Independent Financial Advisor finds that net present value (NPV) of the project, after deduction of acquisition price of land and constructions of Baht 440.00 million, is in the range of Baht 273.32 – 432.47 million (Baht 352.92 million in the base case), IRR is in the range of 9.48% – 10.44% p.a. (9.96% p.a. in the base case) which is higher than the discount rate (WACC) of 7.83% p.a., and payback period is 9.43 – 10.58 years (10.00 years in the base case) from the first date of revenue recognition from the OP Garden Project (December 1, 2027). Therefore, the Independent Financial Advisor is of the opinion that the acquisition of land and constructions of the OP Garden Project of Baht **440.00** million and the investment in the development of the OP Garden Project is feasible and appropriate.

When considering reasonableness of the asset acquisition and connected transactions and the appropriateness of prices and conditions of the asset acquisition and connected transactions, the Independent Financial Advisor opines that shareholders should approve the entering into the 3 asset acquisition and connected transactions.

The shareholders should study information in all documents attached to the notice to **shareholders' meeting prior to making the decision. The consideration to approve the asset** acquisition and connected transactions rests primarily on and is the sole discretion of the shareholders.

CapAd, as the Independent Financial Advisor, hereby certifies that the above opinion is rendered with due care in accordance with the professional standards for the benefits of shareholders.

Details of the opinion of the Independent Financial Advisor are as follows:

Part 1: General Details of the Asset Acquisitions and Connected Transactions**1. Characteristics and Details of the Transactions****1.1 Objectives and Background of the Transactions**

The Board of Directors' Meeting No. 1/2024 of Asset World Corp Public Company Limited (the "Company" or "AWC"), held on February 28, 2024, resolved to propose the 2024 Annual General Meeting of Shareholders, which will be held on April 26, 2024, to consider and approve agenda related to the asset acquisition and connected transactions concerning the exercise of rights to purchase or develop according to the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated June 7, 2019 and Memorandum for the Amendment to the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated August 13, 2019 ("Right Granting Agreement") to acquire assets in the forms of lands and constructions, as well as leasehold rights for future projects. The transactions are entered into with major shareholders of the Company as follows:

Transaction 1: Acquisition of Ordinary Shares in 38 Development Company Limited in order to Acquire Leasehold Rights for the Development of the Sukhumvit 38 Hotel Project

The investment in 38 Development Company Limited ("38D") by acquiring 300,000 ordinary shares in 38D with par value of Baht 10 per share, representing 100% of total issued and paid-up shares of 38D, at the value of approximately Baht 998.00 million, with additional payment of 5% p.a., compounded on the unpaid balance, of approximately Baht 226.10 million, bringing the total amount to approximately Baht 1,224.10 million from **(1) TCC Capital Land Company Limited, (2) Yodkij Business Company Limited, and (3) Queen's Park Hotel Company Limited** (collectively referred to as the "Sellers of 38D Ordinary Shares"), which are connected persons of the Company because they are in the group of companies of Mr. Charoen Sirivadhanabhakdi ("Grantor") in accordance with the terms of the Right Granting Agreement; that is, the Sellers of 38D Ordinary Shares are companies in which the Grantor holds, directly and indirectly, more than 50% of their total voting right ("Group of Companies of the Grantor") whereby the Grantor is the major shareholder indirectly holding 75.00% of paid-up shares of the Company. The two parties agree to comply with the provisions and requirements set out in the 38D Share Purchase Agreement between the Sellers of 38D Ordinary Shares and the Purchasers of 38D Ordinary Shares.

In this regard, the Company and/or its subsidiaries (collectively referred to as the "Purchasers of 38D Ordinary Shares") aim to acquire leasehold rights of land for the development of a luxury hotel under the concept of health and wellness and the first oasis in Thong Lo area, consisting of 242 rooms on a total area of 2-0-18 rai.

The Company plans to use funds for development of the Sukhumvit 38 Hotel Project in the amount of approximately Baht 2,005.20 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 3,229.30 million (inclusive of VAT).

Transaction 2: The Lannatique Destination Project

The Lannatique Destination Project consists of 3 sub-projects, namely (a) Lannatique The Plaza Project, (b) Lannatique Bazaar Project, and (c) Lannatique Kalare Project. These projects involve the development of properties and leasehold rights acquired in this transaction, including land, hotel buildings, and retail and commercial space, on a total area of 21-2-0.2 rai located in the Chang Khlan area. This area includes the Chiang Mai Night Bazaar and the Kalare Night Bazaar, which are among the well-known nighttime tourist destinations in Chiang Mai. The first phase of the Lannatique Destination Project is scheduled for opening in Q2/2025 and complete all phases by Q3/2030.

The Company has a plan to connect its business groups, which include InterContinental Chiang Mai The Mae Ping, DusitD2 Chiang Mai, Melia Chiang Mai, Chiang Mai Marriott Hotel, and two other properties (covering an area of 5-3-39.5 rai located on Chang Khlan Road and Thapae Road – Corner of Thapae Soi 1), which are in the contiguous area (from Thapae Road to Chang Khlan Road, Charoen Prathet Road, Loy Kroh Road, and Sridonchai Road). This is to meet the diverse lifestyles and tourism needs of tourists and to align with the Company's investment strategy to pool resources to help drive Chiang Mai towards becoming a luxury tourism hub in the region and elevate Thailand's tourism industry. Additionally, this will strengthen the Company's cash flow and enhance its competitiveness in expanding its business in other projects, creating long-term value for the Company.

(2.1) The acquisition of ordinary shares of The Plaza Chiangmai Company Limited in order to acquire land and constructions for the development of the Lannatique The Plaza Project

The investment in The Plaza Chiangmai Company Limited ("PCC") involves the acquisition of 17,000,000 ordinary shares of PCC with par value of Baht 10 per share, representing 100% of total issued and paid-up shares of PCC, in the amount of approximately Baht 650.33 million, with additional payment of 5% p.a., compounded on the unpaid balance, of approximately Baht 147.33 million, bringing the total maximum amount to approximately Baht 797.66 million. The Company and/or its subsidiaries (collectively referred to as the "Purchasers of PCC Ordinary Shares") will jointly acquire all ordinary shares of PCC from **(1) TCC Capital Land Company Limited and (2) Queen's Park Hotel Company Limited** (collectively referred to as the "Sellers of PCC Ordinary Shares"), which are companies in the Group of Companies of the Grantor. The two parties agree to comply with the provisions and requirements set out in the PCC Share Purchase Agreement between the Sellers of PCC Ordinary Shares and the Purchasers of PCC Ordinary Shares. The Company and/or its subsidiaries will make the share payment and the additional payments wholly in cash.

The Company aims to acquire land and constructions in the Night Bazaar area, Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province, which are owned by PCC under 3 contiguous title deeds with a total area of 2-3-10 rai for the development of an 85-room upper upscale hotel with a Japanese atmosphere and ambience, to be managed under an upper upscale hotel brand. The project will also include the development of hotel and restaurant on the adjacent area to dusitD2 Chiang Mai (totaling 187 rooms).

The Company plans to use funds for the development of the Lannatique The Plaza Project (including the development of a project on an area adjacent to dusitD2 Chiang Mai) (including interest on loan during project development) in the amount of Baht 2,147.55 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 2,945.21 million (inclusive of VAT).

(2.2) The acquisition of ordinary shares of Permsub Siri 2 Company Limited in order to acquire the leasehold rights of land and constructions for the development of the Lannatique Bazaar Project

The investment in Permsub Siri 2 Company Limited ("PS2") involves the acquisition of 5,000,000 ordinary shares of PS2 with par value of Baht 10 per share, representing 100% of total issued and paid-up shares of PS2, in the amount of approximately Baht 346.45 million, with additional payment of 5% p.a., compounded on the unpaid balance, of approximately Baht 78.49 million, bringing the total maximum amount to approximately Baht 424.94 million. The Company and/or its subsidiaries (collectively referred to as the "Purchasers of PS2 Ordinary Shares") will jointly purchase all ordinary shares of PS2 from **(1) TCC Capital Land Company Limited and (2) Queen's Park Hotel Company Limited** (collectively referred to as the "Sellers of PS2 Ordinary Shares"), both of which are companies in the Group of Companies of the Grantor. The two parties agree to comply with the provisions and requirements set out in the PS2 Share Purchase Agreement between the Sellers of PS2 Ordinary Shares and the Purchasers of PS2 Ordinary Shares. The Company and/or its subsidiaries will make the share payment and the additional payment wholly in cash.

The Company aims to utilize the land and constructions located in the Night Bazaar area, Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province, on which PS2 holds long-term leasehold rights for land and constructions (a 30-year lease period ending on June 30, 2044, with approximately 20 years and 4 months remaining as of February 28, 2024. If the lessee wishes to extend the lease, the lessee shall notify the lessor in writing at least 3 years prior to the end of the Lease Agreement) according to the land title deeds consisting of 3 contiguous plots of land with a total area of 2-3-10 rai. These plots are adjacent to the land of the Company's Group and the land of the Lannatique The Plaza project, which will be acquired together at this time. They will be developed into an upper upscale hotel with 297 rooms, to be managed by an upper upscale hotel brand. Additionally, it will be an extension of the Chiang Mai Marriott Hotel, which is adjacent and started operating in November 2023, including shopping centers and car park building.

The Company plans to have PS2 use funds for development of the Lannatique Bazaar Project (including interest on loan during project development) in the amount of Baht 2,865.95 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 3,290.89 million (inclusive of VAT).

(2.3) The acquisition of ordinary shares of Kalare Chang Klan Chiangmai Company Limited in order to acquire land and constructions for the development of the Lannatique Kalare Project

The investment in Kalare Chang Klan Chiangmai Company Limited ("KCC") involves the acquisition of 50,000,000 ordinary shares of KCC with par value of Baht 10 per share, representing 100% of total issued and paid-up shares of KCC, in the amount of approximately Baht 2,451.22 million, with additional payment of 5% p.a., compounded on the unpaid balance, of approximately Baht 555.33 million, bringing the total maximum amount to approximately Baht 3,006.55 million. The Company and/or its subsidiaries (collectively referred to as the **"Purchasers of KCC Ordinary Shares"**) will jointly purchase all ordinary shares of KCC from (1) TCC Capital Land Company Limited and (2) Queen's Park Hotel Company Limited (collectively referred to as the **"Sellers of KCC Ordinary Shares"**), both of which are companies in the Group of Companies of the Grantor. The two parties agree to comply with the provisions and requirements set out in the KCC Share Purchase Agreement between the Sellers of KCC Ordinary Shares and the Purchasers of KCC Ordinary Shares. The Company and/or its subsidiaries will make the share payment and the additional payment wholly in cash.

The Company aims to acquire land and constructions located on Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province, situated opposite to the Lannatique The Plaza Project and Lannatique Bazaar Project, and adjacent to the Melia Chiang Mai Hotel. KCC owns the land and constructions on a plot of land with a total area of 12-1-68.2 rai and plans to develop it into a 168-room luxury hotel, to be managed by a global brand, and space for a shopping center, lifestyle market, entertaining art center, and indoor amusement and water park.

The Company plans to have KCC use funds for the development of the Lannatique Kalare Project (including interest on loan during project development) in the amount of Baht 3,488.74 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 6,495.29 million (inclusive of VAT).

Transaction 3: Additional Payment for the Shares to Acquire the Rights to Invest in the OP Garden Project

The Company and/or its subsidiaries (collectively referred to as the **"Purchasers of ACA Ordinary Shares"**) will participate in the development of the OP Garden Project (a part of the development project of Charoen Krung 36 – 40 area) by making an additional payment of approximately Baht 440.00 million for ordinary shares of AWC Charoenkrung Asset Company Limited ("ACA", a subsidiary of the Company and formerly named as Asiatic Hotel Collection Company Limited)²³ to the Sellers of ACA Ordinary Shares, consisting of (1) TCC Capital Land Company Limited, (2) Muang Kao Company Limited, and (3) Phanthamaitree Company Limited, which are companies in the Group of Companies of the Grantor, and thus are connected persons of **the Company ("Sellers of ACA Ordinary Shares")**.

The objective of the transaction is to obtain investment rights in the OP Garden Project, which includes land and constructions on a total area of 3-0-90 rai and leasehold rights of 76.6 sq.wah, to develop a 60-room luxury hotel connected to the Nobu Hotel Bangkok (a joint development project between the OP Place Project and the Swan Hotel Project, located adjacent to each other), and The Plaza Athenee Nobu Hotel and Spa Bangkok, located in the contiguous area in the Charoen Krung 36-40 area, according to the plan on connecting business group of AWC and the Journey of A River plan of the Company, aiming to establish this area as a luxury tourism hub in the region and elevate Thailand's tourism to another level. The Company plans to use funds for development of the OP Garden Project in the amount of Baht **623.40** million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht **1,063.40** million (inclusive of VAT).

²³ The Company and its subsidiaries proceeded to purchase all ordinary shares of ACA on May 11, 2023, as approved at the 2020 Annual General Meeting of Shareholders for investment in the Asiatique The Riverfront Expansion Project or Asiatique 2.2 Project (the acquisition price of ACA that the Company paid to the Sellers of ACA Ordinary Shares did not include value of assets relating to the OP Garden Project).

Figure 5: Shareholding Structure prior to the Entering into Transaction 1 – Transaction 3

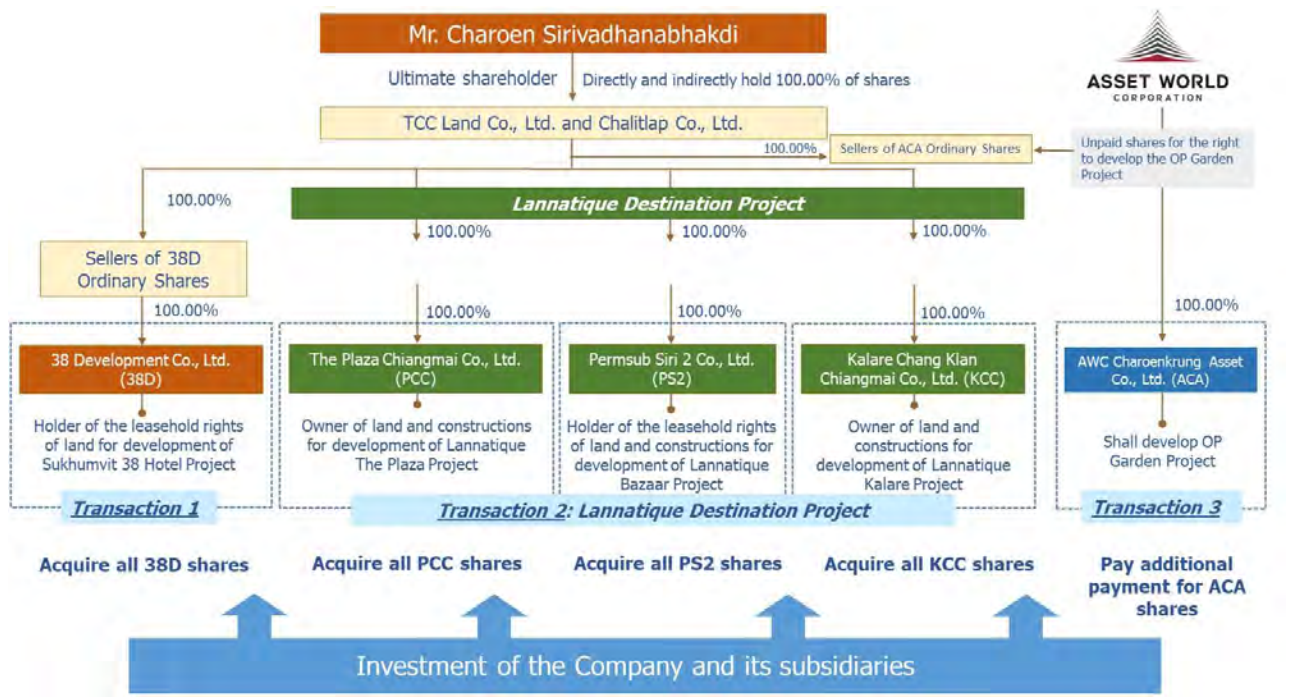
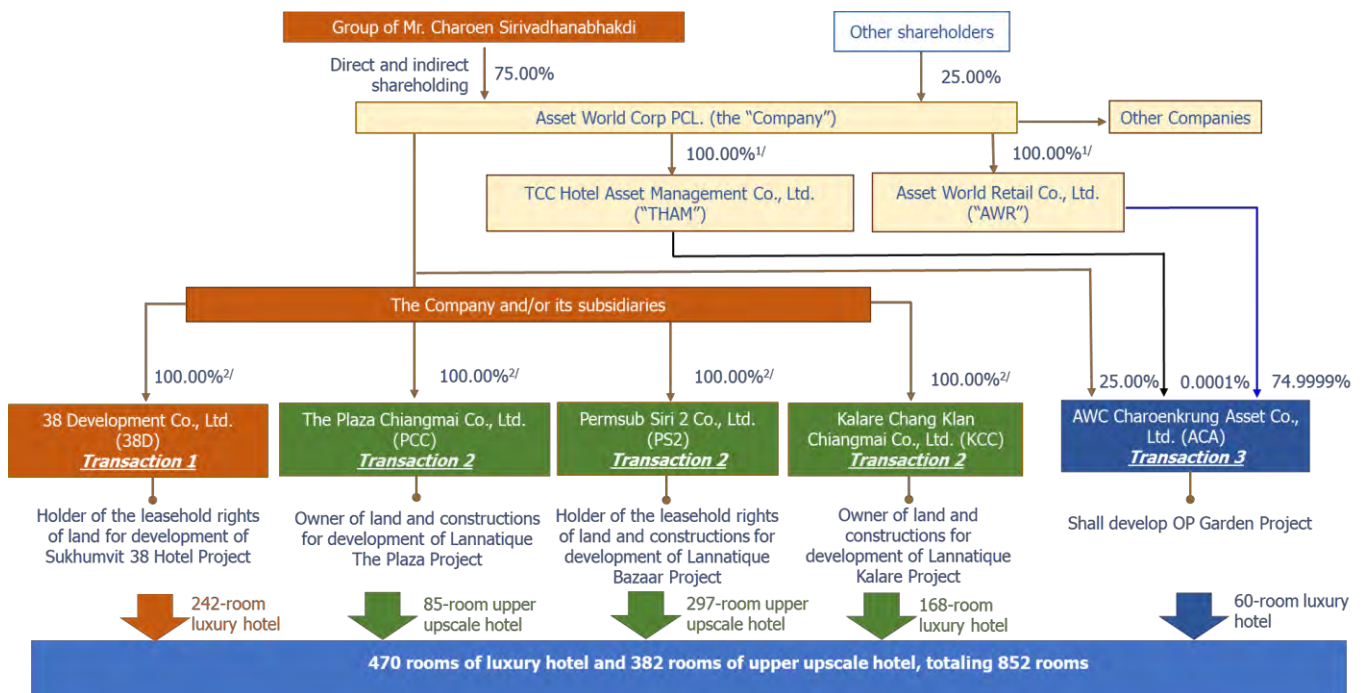


Figure 6: Shareholding Structure after the Entering into Transaction 1 – Transaction 3



Remark: 1/ Direct and indirect shareholding

Details of each transaction can be described as follows:

Transaction 1: Acquisition of Ordinary Shares in 38 Development Company Limited in order to Acquire Leasehold Rights for the Development of the Sukhumvit 38 Hotel Project

Principles and Rationales

The Company has analyzed investment opportunities to expand its business in line with its growth strategy and to generate cash flow by leveraging its strengths in managing and developing AWC projects. The Company recognized that the Sukhumvit 38 Hotel Project, located at Sukhumvit Soi 38 near the BTS Thong Lo Station, is situated in the heart of Sukhumvit Road, one of Bangkok's most important business and tourist centers, surrounded by a plethora of amenities that attract both Thai and foreign visitors, especially Japanese tourists, along with convenient transportation.

The Company plans to develop the Sukhumvit 38 Hotel Project to meet the needs of luxury travelers and businessmen, emphasizing sustainability, art, and modernity. It plans to collaborate with global partners to meet market demands in Thong Lo area and strengthen the hotel portfolio located in strategic location in according with AWC's growth strategy to cater to high-end customers.

1) Date of the Transaction

The Company and/or its subsidiaries will purchase all ordinary shares in 38D after it obtains approval from the 2024 Annual General Meeting of Shareholders of the Company, which will be held on April **26**, 2024, to enter into such transaction and all related transactions, and after all the conditions precedent specified in the 38D Share Purchase Agreement have been fulfilled and/or a waiver has been given by contract parties concerned *(Please refer to the details in Part 1, Transaction 1, Clause 7) of this report*.

The Company expects that the Purchasers of 38D Ordinary Shares will purchase 18% of total shares of 38D in Tranche 1 by April 26, 2024 (the date on which the shareholders' meeting of the Company approves the entering into the transaction). The Company will conduct a thorough due diligence of the business before executing the transaction. In addition, the Purchasers of 38D Ordinary Shares have the rights to invest in the remaining **82%** of total shares in 38D whether through a single purchase or multiple acquisitions ("Remaining Shares"), subject to a condition that the Purchasers of 38D Ordinary Shares shall make additional payment of 5% p.a., compounded on the unpaid balance. In the case where the Company fails to transfer the Remaining Shares within 5 years from the date the **shareholders' meeting approves the transaction, the Purchasers of 38D** Ordinary Shares shall pay a compensation of 5% p.a., compounded annually on the unpaid balance, and the Share Purchase Agreement shall then be deemed terminated.

The Company expects to acquire the Remaining Shares of 38D in around 2028, which is in accordance with its 5-year investment strategy.

Project development is expected to begin around the end of 2024 and grand opening is scheduled in Q3/2028.

2) Contract Parties and Relationship with the Company

Transaction 1: Sukhumvit 38 Hotel Project	
Purchasers	: The Company and/or its subsidiaries
Sellers	: TCC Capital Land Company Limited, as a seller of 99.9994% of 38D ordinary shares Yodkij Business Company Limited, as a seller of 0.0003% of 38D ordinary shares, and Queen's Park Hotel Company Limited , as a seller of 0.0003% of 38D ordinary shares
Relationship between the Purchasers and the Sellers	: Mr. Charoen Sirivadhanabhakdi (who is director and major shareholder of the Company) directly and indirectly hold more than 10.00% of total issued and paid-up shares of the Sellers. The Sellers, thus, are considered as connected persons of the Company according to the Notifications on Connected Transaction.

Remark:

- 1/ Initially, the Company will purchase 18% of shares in 38D by April 26, 2024 (the date on which the shareholders' meeting of the Company approves the entering into the transaction).
After acquisition of the remaining 82% of shares, the Company and/or its subsidiaries will hold 100% of total shares in 38D. The Company might designate its subsidiaries to hold 38D ordinary shares on its behalf.

3) General Characteristics of the Transaction

The Company and/or its subsidiary will develop the Sukhumvit 38 Hotel Project by purchasing 300,000 ordinary shares of 38D with par value of Baht 10 per share in the amount of approximately Baht 998.00 million, with additional payment of 5% p.a., compounded on the unpaid balance, of approximately Baht 226.10 million, bringing the total maximum amount to approximately Baht 1,224.10 million from **(1)** TCC Capital Land Company Limited, **(2)** Yodkij Business Company Limited, and **(3)**

Queen's Park Hotel Company Limited (Sellers of 38D Ordinary Shares), which are connected persons of the Company because they are in the Group of Companies of the Grantor.

The Company and/or its subsidiaries (Purchasers of 38D Ordinary Shares) will jointly purchase all 38 ordinary shares and agree to comply with the provisions and requirements set out in the 38D Share Purchase Agreement between the Sellers of 38D Ordinary Shares and the Purchasers of 38D Ordinary Shares. Furthermore, the Company and/or its subsidiaries will make the share payment and the additional payment wholly in cash.

38D is the holder of leasehold rights of a vacant land under title deed No. **7314** with an area of **2-0-18** rai according to the long-term lease agreement with a juristic entity (which is not a connected person of the Company), dated October **28**, 2016, (and the side agreement attached thereto) and the letter of request for extension of the commencement date of the lease period, whereby the Lease Agreement shall be valid for 60 years from the commercial operation date.

The project development will span about **4** years and **3** months, commencing around the end of 2024, and the grand opening is scheduled in Q3/2028.

The Company plans to use funds for development of the Sukhumvit 38 Hotel Project in the amount of Baht 2,005.20 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 3,229.30 million (inclusive of VAT).

Details of the investment are as follows:

Details of the Investment in 38D	Amount (Baht million)
1. Acquisition price of 38D ordinary shares	998.00
<i>Tranche 1 18% of total 38D ordinary shares^{1/}</i>	<i>179.64</i>
<i>Tranche 2 the remaining 82% of total 38D ordinary shares^{2/}</i>	<i>818.36</i>
2. Additional payment of 5% p.a., compounded on the unpaid balance (maximum of 5 years) ^{2/}	226.10
Amount paid to the Sellers	1,224.10
3. Investment for the development of the Sukhumvit 38 Hotel Project ^{3/}	2,005.20
Total investment	3,229.30

Remark:

- 1/ The Purchasers of 38D Ordinary Shares shall invest in 18% of total shares in 38D amounting to approximately Baht 179.64 million, payable by April 26, 2024 (the date on which the shareholders' meeting of the Company approves the entering into the transaction). Initially, the Company will purchase 18% of shares in 38D, and after acquisition of the remaining 82% of shares, the Company and/or its subsidiaries will hold 100% of total shares in 38D; and
- 2/ The Purchasers of 38D Ordinary Shares are entitled to purchase the remaining 82% of total shares in 38D, whether through a single purchase or multiple acquisitions ("Remaining Shares"), amounting to approximately Baht 818.36 million, with additional payment of 5% p.a., compounded on the unpaid balance according to the condition for share sale and purchase in Year 5 of approximately Baht 147.30 million (the actual amount of the additional payment depends on the period of decision-making on investment in the Remaining Shares, which can be made through either a single purchase or multiple acquisitions), making up a total value of payment of Baht 1,044.46 million.
In the case where the Company fails to complete a transfer of the Remaining Shares within 5 years from the date the shareholders' meeting approves the transaction, the Purchasers of 38D Ordinary Shares shall pay a compensation of 5% p.a., compounded annually on the unpaid balance, and the said agreement shall then be deemed terminated.
- 3/ The project will be developed according to the plan desired by the Company and the selection of contractors and supervision of all construction works will be undertaken by the Company.

The entering into Transaction 1 (including Transaction 2 and Transaction 3) above are in accordance with the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated June 7, 2019 and Memorandum for the Amendment to the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated August 13, 2019.

4) Details of the Assets Being Acquired

The Company and/or its subsidiaries will acquire all **300,000** ordinary shares with par value of Baht 10 per share in 38D, representing **100%** of total issued and paid-up shares of 38D, totaling approximately Baht **1,224.10** million and, as a consequence, will acquire the long-term leasehold rights of a vacant land for development of the Sukhumvit 38 Hotel Project with a lease term of **60** years from the commercial operation date. Details of the assets and the project are as follows:

4.1) Company Profile and Key Assets of 38D

38D was established on September **23**, 2016 to operate commercial property business. As of February 17, 2024, it had a registered and paid-up capital of Baht 3 million, divided into **300,000** ordinary shares with par value of Baht 10 per share. *(Please refer to additional details of 38D in Attachment 1 of this report)*

The key asset as shown on the financial statements of 38D is the prepaid rent according to the long-term lease agreement (leasehold rights of land that will be used for the development of the

Sukhumvit 38 Hotel Project). The book value of such asset, according to the audited financial statements for a 12-month period ended December 31, 2022 and the unaudited financial statements for a 12-month period ended December 31, 2023, is equal to Baht 620.55 million and Baht **682.54** million, respectively. The market value of the asset under the 60-year long-term lease is equal to Baht 1,145.00 million, as appraised by an SEC-approved independent property appraiser. Details of the asset are as follows:

- Leasehold rights of a plot of land of **2-0-18** rai

Key details of the leasehold rights of land of 2-0-18 rai	
Location	Sukhumvit Road and Sukhumvit 38 Road, Phra Khanong Sub-district, Khlong Toei District, Bangkok Sukhumvit 38 Road is linked to Sukhumvit Road, Sukhumvit 40 Road, and further to Rama 4 Road. Important places nearby: <ul style="list-style-type: none"> - Close to Thong Lo BTS Station - Approximately 1.3 kilometers from Ekkamai BTS Station and approximately 600 meters from Phrom Phong BTS Station - Approximately 900 meters from Gateway Ekkamai Shopping Center - Approximately 1.3 kilometers from Emporium and Emquartier Shopping Centers - Approximately 1.6 kilometers from Emsphere Shopping Center -
Land size	One plot of vacant land of 2-0-18 rai under title deed No. 7314 , parcel No. 1039 , dealing file No. 244
Land characteristics	The land is polygonal and about the same level as the road. <ul style="list-style-type: none"> - To the north, it is adjacent to Sukhumvit Road (a 6-lane concrete asphalt road) with a length of approximately 45 meters and is adjacent to the entrance and exit of Thong Lo BTS Station. - To the west, it is adjacent to Sukhumvit Soi 38 (a 2-lane concrete asphalt road) with a length of approximately 90 meters.
Details of constructions	There are 3 buildings on the land, which are 2 units of 2-story residential building and 1 unit of 2-storey building. None of these buildings are currently in use and they are all abandoned. 38D will not be using these buildings, so they will be demolished.
Owner	A juristic entity (which is not a connected person of the Company)
Holder of the leasehold rights of land	38 Development Company Limited (38D), according to the Land Lease Agreement dated October 18, 2016 and October 19, 2016 (and the side agreement attached thereto), and the letter of request for extension of the commencement date of the lease period, whereby the leasehold right shall be valid for 60 years, starting from April 1, 2029 to March 31, 2089, comprising of 2 agreements, each of which is valid for 30 years: <u>Agreement 1</u> from April 1, 2029 to March 31, 2059, and <u>Agreement 2</u> from April 1, 2059 to March 31, 2089. However, in the event that the construction of buildings is completed before the scheduled date, the agreement will start from the day following the completion of the construction of buildings.
Encumbrance	None
Legal impact on the asset ^{1/}	The asset is located in the high-density residential zone (Brown Zone Yor.10) according to the Bangkok Comprehensive City Plan (B.E. 2556), and can be used as a hotel with more than 80 rooms, with a floor area ratio (FAR) of 8 to 1 , an open space ratio (OSR) of 4, and not less than 50% of the vacant area must be water-permeable area for planting trees. The Company estimates its building space allowed by law at 26,176 sq.m. and parking space allowed by law at 172 cars. <i>Remark: Currently, the area of Bangkok is undergoing a study and the drafting of a master plan for the Bangkok Metropolitan Region. According to the (draft) master plan of Bangkok, it is found that the land is located in densely populated residential land (Brown Zone Yor.15-8), where properties can be utilized for hotels with more than 80 rooms. The Floor Area Ratio (FAR) is 8 to 1, and the Open Space Ratio (OSR) is 5. There should be permeable areas to allow for planting trees on at least 50% of the open space. According to data from the Bangkok Metropolitan Planning Bureau, it is expected that the aforementioned plan will be announced around 2025.</i>
Appraised value of land	CBRE (Thailand) Company Limited appraised the vacant land under the 60-year leasehold rights on January 16, 2024, using the Market Comparison Approach, at Baht 1,145.00 million for public purposes.

Source: Property Appraisal Report No. I241011001 dated February 16, **2024** prepared by CBRE (Thailand) Company Limited

Remark: 1/ The Company will develop the project under the design layout of buildings in accordance with requirements of the relevant law.

4.2) Development Plan of the Sukhumvit 38 Hotel Project

The Company plans to develop the Sukhumvit 38 Hotel Project as a luxury hotel to be managed by a leading world-class brand and to become the first wellness hotel and oasis of Thong Lo under the **concept of "Holistic Wellness"**. The project will offer hotel stay experiences and holistic wellness services with a natural ambience amid the bustling Thong Lo area and urban lifestyle, consisting of:

- (1) A 242-room luxury hotel, comprising of standard rooms, junior suites, suites, and presidential suites, to cater to the needs of each customer group. Approximately 10-15% of the accommodation will be allocated for long-term residents.
- (2) Restaurants, cafés, and bars that focus on selecting premium quality ingredients. It includes international all-day dining restaurant, award-winning Michelin Guide restaurant, health-focused café, lounge bar, and pool bar.

Figure 7: Aerial Photo of the Land (Transaction 1)



Source: Google Map

Figure 8: Pictures of the Assets (Transaction 1)



Source: Property Appraisal Report No. I241011001 dated February 16, 2024 prepared by CBRE (Thailand) Company Limited

(3) Comprehensive health and fitness programs and activities, including rooftop swimming pool.

Project highlights

- Reception and common area: Embracing nature therapy through forest bathing, emphasizing tranquility within the project through landscaped area and lush green garden amidst the hustle and bustle of the outside world in the Thong Lo area, and urban lifestyles
- Facilities: Comprehensive health care programs and interior design with calming tones
- Activity area: Creative activities within the project
- Dining: Focus on health experiences, with restaurants emphasizing the use of high-quality ingredients and the best ingredients through healthy cooking processes
- Accommodation: Simply decorated, elegant rooms

The investment cost for project development (excluding land price) is approximately Baht 2,005.20 million (inclusive of VAT). Total usable area is approximately **26,176** sq.m., comprising of a 29-story hotel building with an underground parking lot for approximately 172 vehicles. The usable area is divided into:

- Guest rooms: 12,696 sq.m.
- Restaurants, cafes, and bars: **1,149** sq.m.
- Facilities, including meeting rooms, spa, and recreation: approximately **2,291** sq.m.
- Underground and surface parking lots: **3,972** sq.m.
- Common area, service area, and system area: **4,138.20** sq.m.

Project development period

The project development is expected to commence by the end of 2024 and will take approximately 3 years and 9 months to complete. Commercial operation is scheduled around Q3/2028.

In this regard, 38D will be responsible for preparing the Environmental Impact Assessment (EIA) reports, applying for construction permits, and seeking for approvals from various relevant government agencies.

Figure 9: Conceptual Overview of the Sukhumvit 38 Hotel Project



Target groups

Hotel's target groups	<p>Foreign customers are expected at around 70% and local customers, including expats, at roughly 30%, ranging from middle-income earners to high-end customers with a desire for business and leisure travels that match their custom-designed programs, the details of which are as follows:</p> <ul style="list-style-type: none"> • 50% will be international business travelers/expats, aged 35-70, mainly from Japan and also from the USA, Europe, China, and Korea, and Thai and international celebrities/influencers, with foreign to local customers ratio of 80:20. • 30% will be travelers for entertainment, aged 22-45, mainly from Japan and also from the USA, Europe, China, and Korea, and Thai and international celebrities/influencers, with foreign to local customers ratio of 50:50. • 20% will be travelers for physical and mental health improvement, aged 30-60, from the USA and Europe, and Thai and international celebrities/influencers, with foreign to local customers ratio of 75:25.
Restaurant's target groups	<ul style="list-style-type: none"> • Hotel guests and others

4.3) Summary of Land and Constructions Lease Agreement of 38D

Summary of Land and Constructions Lease Agreement of 38D	
Counterparties	<p>Lessee: 38 Development Company Limited (38D) Lessor: A person, who is not a connected person of the Company, has transferred the leasehold rights to a juristic person who is not a connected person of the Company pursuant to the Memorandum of Assignment of Leasehold Rights dated December 2, 2018.</p>
Leased assets	<ol style="list-style-type: none"> 1. Land on title deed No. 7314 Phra Khanong Sub-district (No. 11 Phra Khanong North), Phra Khanong District, Bangkok with total area of 2-0-18 rai 2. Building to be built on land by the Lessee in the form of commercial building and/or residential building with total construction area of not less 12,000 sq.m. and total construction and decoration value of not less than Baht 500,000,000 (inclusive of VAT)

Summary of Land and Constructions Lease Agreement of 38D	
Agreement signing date	Agreement No. 1 dated October 18, 2016, Agreement No. 2 dated October 19, 2016, First Memorandum for the Amendment to Agreement dated March 14, 2018, Second Memorandum for the Amendment to Agreement dated August 23, 2021, and Third Memorandum for the Amendment to Agreement dated September 28, 2023
Tenor	60 years, starting from April 1, 2029 to March 31, 2089, comprising of 2 agreements <u>Agreement 1</u> from April 1, 2029 to March 31, 2059 (30 years) <u>Agreement 2</u> from April 1, 2059 to March 31, 2089 (30 years) In the event that the construction of buildings is completed before the scheduled date, the agreement will start from the day following the completion of the construction of buildings.
Lease payment	Total lease payment for 2 agreements is Baht 613,800,000. Baht 306,900,000 is for the first 30 years of lease period. The payment shall be made in advance on the registration date of leased property. The remaining lease payment shall be made when the lessee accept the leased property. Baht 306,900,000 is for the latter 30 years of lease period.
Duty of Lessee	<ul style="list-style-type: none"> - When the Lessor delivers the leased property under the contract to the Lessee, the Lessee agrees to construct the building in the leased property by proposing the building layout to the Lessor for approval before commencing operations within 3 months from the date the Lessor delivers the property to the Lessee. The Lessor shall notify the result of the consideration of such building layout in writing within 1 month from the date the Lessee submits the proposal to the Lessor for consideration. - The Lessee will apply for a building permit on behalf of the Lessor. A building permit must be obtained from the relevant authorities within 1 year from the date of approval of the building layout. - The Lessee promises to complete the construction of the building according to the plans with his own funds within 3 years from the date the Lessee receives the delivery of the leased property under the contract. - The completed building will become the property of the Lessor after 3 years and 6 months from the construction completion date. The Lessee has the rights to utilize the leased property and building constructed by the Lessee throughout the lease period. - In case of construction cost and decoration cost of buildings is lower than the construction value as specified in the agreements, the Lessee agrees to provide an amount equal to the remaining value to the Lessor within 6 months from the completion date of the building.
Mortgage of leasehold rights as collateral and transfer of leasehold rights	<ol style="list-style-type: none"> 1. The Lessee is allowed to mortgage leasehold rights as collateral for the loan. 2. The Lessor agrees and consent the Lessee to transfer the leasehold rights in the case that the leasehold rights are transferred to the Lessee's group companies and/or affiliates as specified in this agreement. However, the written consent from the Lessor is required before leasehold rights are transferred to the third party.
Termination of the agreement	<ol style="list-style-type: none"> 1. When the Lessee or other party apply for rehabilitation. 2. The Lessee is insolvent and has been placed under receivership by the Court or ordered to be bankrupt. 3. If the Lessee breaches any clauses of the agreement and the Lessor sent a written notice to the Lessee to rectify such event within 45 days and the Lessee fails to comply within the stipulated time. The lessor has the right to terminate the agreement immediately.

5) Total Value of Assets being Acquired, Payment of Consideration, and Criteria for Determining Total Value of Assets being Acquired and Value of Consideration

5.1) Total Value of Assets being Acquired

The total value of assets acquired in this transaction is approximately Baht 3,229.30 million, comprising of all 300,000 ordinary shares of 38D with par value of Baht 10 per share, totaling approximately Baht 998.00 million,²⁴ with additional payment of 5% p.a., compounded on the unpaid balance, pertaining to the Share Purchase Agreement in Year 5, of approximately Baht 226.10 million, bringing the total amount to approximately Baht 1,224.10 million. In addition, the investment for the development of the Sukhumvit 38 Hotel Project (including interest on loan during project development) amounts to approximately Baht 2,005.20 million (inclusive of VAT).

5.2) Payment of Consideration

The Company will pay the acquisition price of 38D ordinary shares to the Sellers of 38D Ordinary Shares in cash, whereby the Company and/or its subsidiaries will proceed to purchase 38D ordinary shares from the Sellers of 38D Ordinary Shares in the proportion of 18% of total shares of 38D, in the maximum amount of approximately Baht 179.64 million by April 26, 2024 (the date on which the **shareholders' meeting** of the Company approves the entering into the transaction). The Company will conduct a thorough business due diligence before purchasing the aforementioned 38D ordinary shares. The Purchasers of 38D Ordinary Shares will have the rights to purchase the remaining 82% of 38D ordinary shares (either in a single purchase or multiple acquisition) at the amount equivalent to Baht 818.36 million thereafter, under the condition that the Purchasers of 38D Ordinary Shares must pay an

²⁴ Including the lease payment for the entire lease term of 60 years, totaling Baht 613.80 million, which 38D has already paid in full.

additional payment of 5% p.a., compounded on the unpaid balance. The Company and/or its subsidiaries will have the rights to complete the purchase of all ordinary shares within a period of 5 years from the date on which **the shareholders' meeting** approves the entering into the transaction. If the Company does not exercise the aforementioned rights, it shall pay compensation of 5% p.a., compounded on the unpaid balance and the Share Purchase Agreement shall be terminated.

The investment for the development of the Sukhumvit 38 Hotel Project (including interest on loan during project development), totaling approximately Baht 2,005.20 million (inclusive of VAT), will be financed through loans from financial institutions and paid in installments as per the actual costs incurred.

5.3) Criteria for Determining Total Value of Assets being Acquired and Value of Consideration

The Company and/or its subsidiaries will invest Baht 998.0 million to acquire ordinary shares of 38D²⁵ in order to acquire the rights to develop the Sukhumvit 38 Hotel Project (which includes leasehold rights of land to be used for the development of the Sukhumvit 38 Hotel Project). The purchase price is based on the appraisal value of the land under the 60-year leasehold rights. The criteria for determining value of such land is based on the Market Comparison Approach, according to the Property Appraisal Report dated February 16, 2024 prepared by CBRE (Thailand) Company Limited, an SEC-approved appraiser. The market value of the property is equal to Baht 1,145.00 million.

In this regard, **38D** has a plan to use funds in the development of the project at an approximate amount of Baht **2,005.20** million (inclusive of VAT). Thus, the total consideration that the Company and/or its subsidiaries are required to pay is equal to approximately Baht **3,003.20** million (inclusive of VAT). **From the Company's study of the project development and estimated** return on investment, the Sukhumvit 38 Hotel Project has a net present value (NPV) of Baht 686.40 million (inclusive of VAT) and the internal rate of return (IRR) of 12.00% p.a.

6) Calculation of Transaction Size

Asset acquisition transaction (Transaction 1)

Criteria for Calculation of Transaction Size	Calculation Formula	Transaction Size
1. Net tangible asset (NTA) criteria	Not applicable because 38D has negative net tangible assets <u>Remark:</u> When combining with size of Transaction 2 according to the NTA criteria, total transaction size is equal to 0.62%. Size of Transaction 3 cannot be calculated because ACA has negative net tangible assets.	-
2. Net profit criteria	$(100\% * \text{Baht } 22.42 \text{ million}) / \text{Baht } 5,104.55 \text{ million}$	0.44%
3. Total value of consideration criteria	$= \text{Baht } 3,229.30 \text{ million}^{1/} / \text{Baht } 172,437.29 \text{ million}^{2/}$ <u>Remark:</u> When combining with size of Transaction 1 – Transaction 3, total transaction size is equal to 9.87% (size of Transaction 1: 1.87%, size of Transaction 2: 7.38%, and size of Transaction 3: 0.62%).	1.87%
4. Total value of securities criteria	Not applicable because there is no issuance of new securities as consideration of assets being acquired	-
Highest criteria: total value of consideration (Transaction 1)		1.87%
Highest transaction size of the 3 transactions based on total value of consideration criteria		9.87%
Highest transaction size of the 3 transactions, including transactions during the past 6 months		10.62%

Remark:

- 1/ Comprising of (a) an acquisition price of Baht 998.00 million for 38D ordinary shares, (b) an additional payment of 5.00% p.a., compounded on the unpaid balance, pertaining to the condition for share sale and purchase in Year 5 of Baht 226.10 million (the actual amount of the additional payment depends on the period of decision-making on investment in the Remaining Shares, which can be made through either a single purchase or multiple acquisitions), and (c) an investment of approximately Baht 2,005.20 million (inclusive of VAT) for the development of the Sukhumvit 38 Hotel Project (including interest on loan during project development).
- 2/ Total assets of the Company according to the audited consolidated financial statements as of December 31, 2023.

Connected transaction (Transaction 1)

Criteria for Calculation of Transaction Size	Calculation Formula	Transaction Size
Net tangible assets (NTA) criteria	$= \text{Baht } 3,229.30 \text{ million}^{1/} / \text{Baht } 85,857.38 \text{ million}^{1/}$	3.76%
Connected transaction size (Transaction 1)		3.76%
Total transaction size of 3 connected transactions (Transaction 2: 14.83% and Transaction 3: 1.24%)		19.83%

²⁵ Book value of 38D as of December 31, 2023 is equal to Baht (2.23) million.

Remark:

- 1/ Comprising of (a) a purchase price of Baht 998.00 million for 38D ordinary shares and (b) an additional payment of 5% p.a., compounded on the unpaid balance, pertaining to the condition for share sale and purchase in Year 5 of approximately Baht 226.10 million (the actual amount of the additional payment depends on the period of decision-making on investment in the Remaining Shares, which can be made through either a single purchase or multiple acquisitions), and (c) an investment of approximately Baht 2,005.20 million (inclusive of VAT) for the development of the Sukhumvit 38 Hotel Project (including interest on loan during project development).
- 2/ Net tangible assets of the Company = Total assets of Baht 172,437.29 million - Net intangible assets of Baht 299.64 million - Deferred tax assets of Baht 1,319.02 million – Total liabilities of Baht 84,961.25 million, based on the Company's audited financial statements for the year ended December 31, 2023.

7) Conditions on the Entering into the Transaction

The Company and its subsidiaries shall enter into the asset acquisition and connected transactions after the 2024 Annual General Meeting of Shareholders, which will be held on April 26, 2024, approves the entering into the proposed asset acquisition and connected transactions with affirmative votes of at least three-fourths of the total votes of shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interest.

Purchasers of 38D Ordinary Shares shall acquire ordinary shares of 38D from the Sellers of 38D Ordinary Shares when all the conditions precedent specified in the 38D Share Purchase Agreement are completely fulfilled and/or waived by contract parties concerned. Conditions precedent and other significant conditions are as follows:

- (a) **The shareholders' meeting of the Purchasers of 38D Ordinary Shares approves** the development of the Sukhumvit 38 Hotel Project and the compliance with 38D Share Purchase Agreement.
- (b) There is no material adverse effect on 38D or business operation of the Sukhumvit 38 Hotel Project.
- (c) The Sellers of 38D Ordinary Shares has sold and transferred ownership rights in any property or assets of 38D.

8) Agreements Related to the Entering into the Transaction

Summary of **38D Share Purchase Agreement** is in Clause 9.1.1 of the Information Memorandum Concerning the Asset Acquisition and Connected Transactions of the Company under Schedule 2 (Enclosure No. 4) **enclosed with the notice to shareholders' meeting.**

Transaction 2: Acquisition of Ordinary Shares in 3 Companies in order to Acquire Land and Leasehold Rights of Property for the Development of the Lannatique Destination Project

The transaction comprises of the following sub-transactions.

- (a) Acquisition of ordinary shares of The Plaza Chiangmai Company Limited in order to acquire land and constructions for the development of the Lannatique the Plaza Project
- (b) Acquisition of ordinary shares of Permsub Siri 2 Company Limited in order to acquire leasehold rights of land and constructions for the development of the Lannatique Bazaar Project
- (c) Acquisition of ordinary shares of Kalare Chang Klan Chiangmai Company Limited in order to acquire land and constructions for the development of the Lannatique Kalare Project

Principles and Rationales

The Company has analyzed investment opportunities to expand its business in line with its growth strategy and to generate cash flow by leveraging its strengths in project management and development. The Company recognizes that Chiang Mai Province is a strategic tourist destination in the North and believes that it has the potential to be a leading cultural and artistic tourism destination in the country through the development of quality hotels. The Company is particularly interested in the Chang Khlan Road area, which is a central tourist destination in Chiang Mai Province with a rich history and culture, as well as a variety of restaurants, bars, entertainment venues, meeting places, and walking street.

The Company plans to connect the business group of AWC, which includes Intercontinental Chiang Mai The Mae Ping, DusitD2 Chiang Mai, Melia Chiang Mai, and Chiang Mai Marriott Hotel, as well as land and constructions in 2 areas (with total area of 5-3-39.5 rai located on Chang Khlan Road and Thapae Road, at the corner of Thapae Soi 1). These are located in contiguous areas (from Thapae Road to Chang Khlan Road, Charoen Prathet Road, Loi Kroh Road, and Sridonchai Road) to meet the diverse lifestyles and tourism needs of tourists, aligning with the Company's investment strategy to collaborate to help drive Chiang Mai towards becoming a luxury tourism hub in the region, elevating Thailand's tourism industry and strengthening the Company's cash flow while enhancing its resilience to expand into other projects and create long-term value for the Company. The Company plans to fully complete the development of the Lannatique Destination Project (all phases) by 2030.

1) Date of the Transaction

The Company and/or its subsidiaries will purchase all ordinary shares of PCC, PS2, and KCC after it obtains the approval from the 2024 Annual General Meeting of Shareholders of the Company, which will be held on April 26, 2024, to enter into such transaction and all related transactions, and after all the conditions precedent specified in the PCC, PS2, and KCC Share Purchase Agreement have been fulfilled and/or a waiver has been given by contract parties concerned. *(Please refer to details in Part 1, Transaction 2, Clause 7) of this report)*

The Company expects that the Purchasers of PCC Ordinary Shares, Purchasers of PS2 Ordinary Shares, and Purchasers of KCC Ordinary Shares will purchase Tranche 1 of shares (18% of total shares of PCC, PS2, and KCC) by April 26, 2024 (the date on which the shareholders' meeting of the Company approves the entering into the transaction). The Company will conduct a thorough due diligence of the business before executing the transaction.

In addition, the Purchasers of PCC Ordinary Shares, Purchasers of PS2 Ordinary Shares, and Purchasers of KCC Ordinary Shares have the right to invest in the remaining 82% of the total shares in PCC, PS2, and KCC whether through a single purchase or multiple acquisitions ("Remaining Shares"), subject to a condition that the Purchasers of PCC Ordinary Shares, Purchasers of PS2 Ordinary Shares, and Purchasers of KCC Ordinary Shares shall make additional payment of 5% p.a., compounded on the unpaid balance. In the case where the Company fails to transfer the Remaining Shares within 5 years from the date the shareholders' meeting approves the transaction, the Purchasers of PCC Ordinary Shares, Purchasers of PS2 Ordinary Shares, and Purchasers of KCC Ordinary Shares shall pay a compensation of 5% p.a., compounded annually on the unpaid balance, and the Share Purchase Agreement shall then be deemed terminated.

The Company expects to acquire the Remaining Shares of PCC in around 2026 and PS2 and KCC in around 2028, which is in accordance with its 5-year investment strategy.

Project development is expected to begin around the end of 2024 and grand opening is scheduled in Q4/2030.

2) Contract Parties and Relationship with the Company

Transaction 2: Lannatique Destination Project	
Purchasers	: The Company and/or its subsidiaries
Sellers	: <u>Lannatique The Plaza Project</u> TCC Capital Land Company Limited, as the seller of 16,999,999 ordinary shares of PCC, representing 99.99999% of paid-up capital of PCC, and Queen's Park Hotel Company Limited , as the seller of 1 ordinary share of PCC, representing 0.00001% of paid-up capital of PCC <u>Lannatique Bazaar Project</u> TCC Capital Land Company Limited, as the seller of 4,999,999 ordinary shares of PS2, representing 99.99998% of paid-up capital of PS2, and Queen's Park Hotel Company Limited , as the seller of 1 ordinary share of PS2, representing 0.00002% of paid-up capital of PS2. <u>Lannatique Kalare Project</u> TCC Capital Land Company Limited, as the seller of 49,999,999 ordinary shares of KCC, representing 99.999998% of paid-up capital of KCC, and Queen's Park Hotel Company Limited , as the seller of 1 ordinary share of KCC, representing 0.000002% of paid-up capital of KCC.
Relationship between the Purchasers and the Sellers	: Mr. Charoen Sirivadhanabhakdi (who is director and major shareholder of the Company) directly and indirectly hold more than 10.00% of total issued and paid-up shares of the Sellers. The Sellers, thus, are considered as connected persons of the Company according to the Notifications on Connected Transaction

Remark:

- 1/ Initially, the Company and/or its subsidiaries will purchase 18% of shares in PCC, PS2, and KCC by April 26, 2024 (the date on which **the shareholders' meeting** approves the entering into the transaction).
After acquisition of the remaining 82% of shares, the Company and/or its subsidiaries will hold 100% of total shares in PCC, PS2, and KCC.

3) General Characteristics of the Transaction

The Company and/or its subsidiaries will develop the Lannatique Destination Project, located on Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province, which will consist of 3 sub-projects located next to each other/in the same vicinity, namely:

- (a) Lannatique The Plaza Project;
- (b) Lannatique Bazaar Project; and
- (c) Lannatique Kalare Project.

The project will be developed on the land and leasehold rights acquired in this transaction, which include land and hotel buildings, retail shops, and commercial space on a total area of 21-2-0.2 rai located in the Chang Khlan area, consisting of the Chiang Mai Night Bazaar area and the Kalare Night Bazaar area, which are one of the most famous night-time tourist attractions in Chiang Mai city. The location is also the center of tourism in Chiang Mai Province, with art, culture, restaurants and bars, entertainment, history, meeting places, conferences, accommodation, and walking streets. The project is scheduled to open its first phase in Q2/2025 and complete all phases in Q4/2030.

(a) Acquisition of ordinary shares in The Plaza Chiangmai Company Limited in order to acquire land and constructions for the development of the Lannatique The Plaza Project

The Company and/or its subsidiaries will develop the Lannatique The Plaza Project by purchasing **17,000,000** ordinary shares of PCC with par value of Baht **10** per share, in the amount of approximately Baht **650.33** million, with additional payment of 5% p.a., compounded on the unpaid balance, of approximately Baht 147.33 million, bringing the total maximum amount to approximately Baht **797.66** million from **(1)** TCC Capital Land Company Limited and **(2)** Queen's Park Hotel Company Limited (Sellers of PCC Ordinary Shares), which are in the Group of Companies of the Grantor, hence, are deemed as the connected persons of the Company.

The Company and/or its subsidiaries (Purchasers of PCC Ordinary Shares) will jointly purchase all ordinary shares of PCC. The two parties agree to comply with the provisions and requirements set out in the PCC Share Purchase Agreement between the Sellers of PCC Ordinary Shares and the Purchasers of PCC Ordinary Shares. The Company and/or its subsidiaries will make the share payment and the additional payment wholly in cash.

PCC is the owner of 3 contiguous plots of land and constructions (under the title deed No. 69534, 69487, and 29), located on Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province, covering a total area of 2-3-10 rai. The Company will develop such plot of land to an 85-room upper upscale hotel with a Japanese setting and ambience, which will be under the management of upper upscale hotel brand. In addition, the project includes the development of a project on an

adjacent area to dusicD2 Chiang Mai to become a hotel and restaurant (with a grand total of 187 rooms). Project development will begin around the end of 2024 and hotel opening is expected by Q1/2028.

The estimated development period is approximately **3** years and **3** months. The project development is expected to commence at the end of 2024, with full-scale operation expected to begin by Q1/2028.

The Company plans to use funds for development of the Lannatique The Plaza Project (including the development of a project on an adjacent area to dusicD2 Chiang Mai), in the amount of Baht 2,147.55 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 2,945.21 million (inclusive of VAT).

(b) Acquisition of ordinary shares in Permsub Siri 2 Company Limited in order to acquire leasehold rights of land and constructions for the development of the Lannatique Bazaar Project

The Company and/or its subsidiaries will develop the Lannatique Bazaar Project by purchasing **5,000,000** ordinary shares of PS2 with par value of Baht **10** per share, in the amount of approximately Baht 346.45 million, with additional payment of 5% p.a., compounded on the unpaid balance, of approximately Baht 78.49 million, bringing the total maximum amount to approximately Baht 424.94 million from **(1)** TCC Capital Land Company Limited and **(2)** Queen's Park Hotel Company Limited (Sellers of PS2 Ordinary Shares), which are in the Group of Companies of the Grantor, hence, are deemed as the connected persons of the Company. The two parties agree to comply with the provisions and requirements set out in the PS2 Share Purchase Agreement between the Sellers of PS2 Ordinary Shares and the Purchasers of PS2 Ordinary Shares. The Company and/or its subsidiaries will make the share payment and the additional payment wholly in cash.

PS2 is the holder of the long-term leasehold rights of land and constructions (a 30-year lease period ending on June 30, 2044, and is currently under a negotiation for another 30-year period extension from the expiry date of the current agreement) on Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province under the title deed No. 540, 313, and 627 (3 contiguous plots of land) with a total area of **6-1-22** rai. The Company will develop such area into a 297-room upper upscale hotel, to be managed by an upper upscale hotel brand. Additionally, it will be an extension of the Chiang Mai Marriott Hotel located on an adjacent area and commenced the operation in November 2023 (with a grand total of 680 rooms), including shopping centers and car park building.

The estimated development period is approximately 4 years and 9 months. The project development is expected to commence in the end of **2024** with full-scale operation expected to begin by Q4/**2029**.

The Company plans to use funds for development of the Lannatique Bazaar Project in the amount of Baht 2,865.95 million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht 3,290.89 million (inclusive of VAT).

(c) Acquisition of ordinary shares in Kalare Chang Klan Chiangmai Company Limited in order to acquire land and constructions for the development of the Lannatique Kalare Project

The Company and/or its subsidiaries will develop the Lannatique Kalare Project by purchasing **50,000,000** ordinary shares of KCC with par value of Baht **10** per share, in the amount of approximately Baht 2,451.22 million, with additional payment of 5% p.a., compounded on the unpaid balance, of approximately Baht **555.33** million, bringing the total amount to approximately Baht 3,006.55 million from **(1)** TCC Capital Land Company Limited and **(2)** Queen's Park Hotel Company Limited (Sellers of KCC Ordinary Shares), which are in the Group of Companies of the Grantor, hence, are deemed as the connected persons of the Company. The two parties agree to comply with the provisions and requirements set out in the KCC Share Purchase Agreement between the Sellers of KCC Ordinary Shares and the Purchasers of KCC Ordinary Shares. The Company and/or its subsidiaries will make the share payment and the additional payment wholly in cash.

KCC is the owner of 34 plots of adjacent land and constructions thereon, covering a total area of 12-1-68.2 rai, located on Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province, situated opposite to the Lannatique The Plaza Project and Lannatique Bazaar Project, and adjacent to the Melia Chiang Mai (already the assets of the Company).²⁶ The Company will develop this

²⁶ Commenced the service under AWC Group in April 2022.

area into a 168-room luxury hotel, to be managed by world-class hotel brand, and a shopping center, lifestyle market, and entertaining art center, with indoor amusement and water park.

The estimated development period is approximately 5 years and 9 months. Phase 1: Lifestyle Market and Art Village is expected to open for service in Q2/2025 while Phase 2: Shopping Center and Phase 3: Hotel are expected to open for service in Q4/2027 and Q4/2030, respectively.

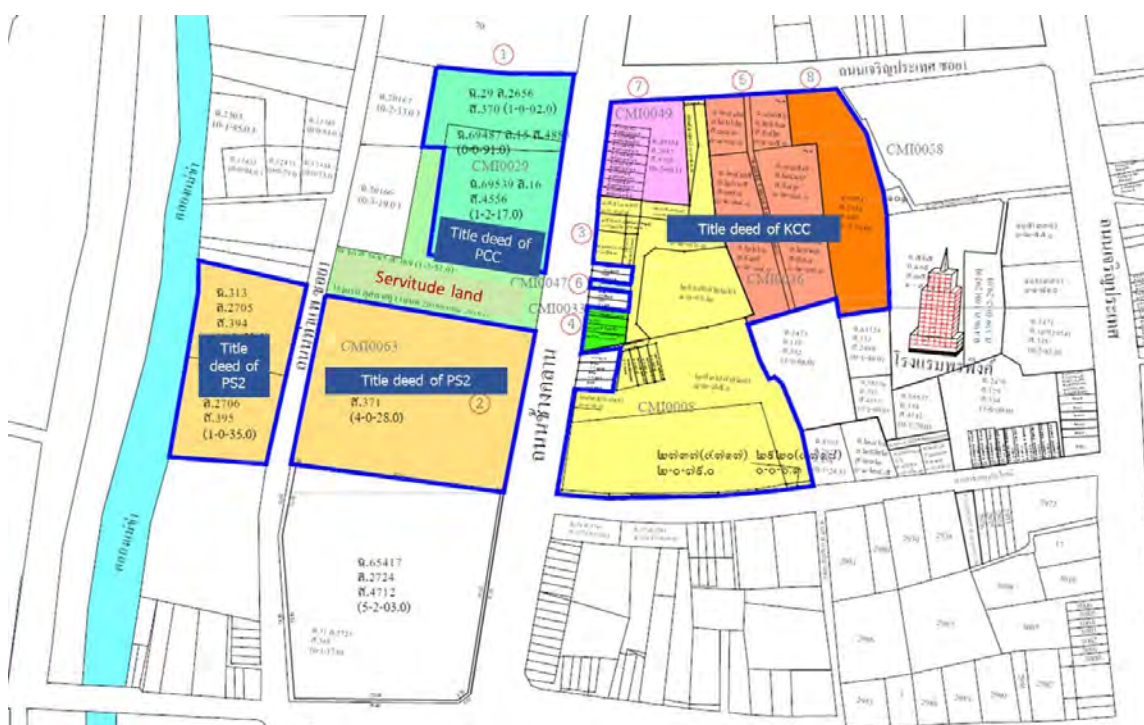
The entering into Transaction 2 (including Transaction 1 and Transaction 3) above are in accordance with the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated June 7, 2019 and Memorandum for the Amendment to the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated August 13, 2019.

4) Details of the Assets Being Acquired

4.1) Company Profile and Key Assets of the Lannatique The Plaza Project

PCC was established on June 9, 2016 to operate commercial property business. As of February 17, 2024, it had a registered and paid-up capital of Baht 170 million, divided into 17,000,000 ordinary shares with par value of Baht 10 per share. (Please refer to additional details of PCC in Attachment 2 of this report)

Figure 10: Title Deeds of the Lannatique the Plaza Project



Source: The Company

The key assets as shown in PCC's financial statements are real estate for investment - net (land and constructions which the Company will utilize for the development of the Lannatique the Plaza Project). The book value of such assets as per the audited financial statements for the 12-month period ended December 31, 2022, was Baht 292.75 million (land of Baht 222.00 million and buildings – net of Baht 76.54 million). As for the unaudited financial statements for the 12-month period ended December 31, 2023, the value of land, buildings, and equipment - net, was at Baht 287.02 million (land of Baht 222.00 million and buildings and equipment – net of Baht 65.02 million). The market value assessed by an independent SEC-approved appraiser is approximately Baht 660.00 million, with details of the key assets as follows:

- 3 contiguous plots of land with a total area of 2-3-10 rai and a plaza building (retail shops)

Material Details of Land and Constructions of PCC (Freehold)	
Location	No. 100/1 Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province, and in close proximity to important places such as - Approximately 500 m. from Warorot Market (Kat Luang)

Material Details of Land and Constructions of PCC (Freehold)	
	<ul style="list-style-type: none"> - Approximately 300 m. from Chiang Mai Governor's residence - Approximately 1 km. from Thapae Gate
GPS Coordination	Lat: 18.785807; Long 99.000653
Land size	3 contiguous plots of land with a total area of 2-3-10 rai, under the following title deed: <ul style="list-style-type: none"> - Title deed No. 29, parcel No. 2656, dealing file No. 370, with an area of 1-0-2 rai - Title deed No. 69487, parcel No. 15, dealing file No. 4885, with an area of 0-0-91 rai - Title deed No. 69539, parcel No. 16, dealing file No. 4886, with an area of 1-2-17 rai
Land characteristics	The land is in almost rectangular shape and is next to Chang Khlan Road with one-way traffic (a 4-lane asphalt road with 22-meter right of way and 14-meter road surface), about 86 meters in length, completely filled to the same level as the frontage road. (It is currently the location of a plaza building (retails shops) and a car park building.)
Details of constructions	4-storey building of The Plaza with a total usable area of 19,407 sq.m., aged about 32 - 46 years, with moderate physical condition: having ceased operation since 2019
Owner of land and constructions	The Plaza Chiangmai Company Limited (PCC)
Encumbrance	None
Legal impact on the asset ^{1/}	The asset is located in the high-density commercial and residential zone (Red Zone No. 4.30) according to the Ministerial Regulation on Chiang Mai Comprehensive City Plan B.E. 2555, which allows the use of land in Red Zone for commercial, residential, and tourism purposes. The drafting of Chiang Mai Comprehensive City Plan is currently underway (not yet effective), whereby the asset will be located in the high-density commercial and residential zone (Red Zone No. Phor.5-16). <ul style="list-style-type: none"> - Ministerial Regulation on Prohibition of Construction, Modification or Change in Use of Some Types of Buildings in Some Parts of Chiang Mai Province Area, B.E. 2559 (retail and wholesale commercial building): <u>Asset Location</u> - construction is not allowed for any retail/wholesale commercial buildings that have a total usable area, for business operation in either a single or multiple buildings, of 300 sq.m. or more In operating the business of renting of property to retail tenants in the shopping center of the Lannatique Destination Project, the Company is not required to obtain a business license and does not fall under the category of retail business operation (which is the direct sale of products to the end user) and wholesale business operation (which is the direct sale of products to the lend user and/or distributor). - Ministerial Regulation on Prohibition of Construction, Modification or Change in Use of Some Types of Buildings in Certain Areas of Chang Khlan Sub-District, Amendment No. 2 B.E. 2563 and Amendment No. 3 B.E. 2563: <u>Asset Location</u> - Any building existing before August 19, 2016 will be able to developed to hotel. However, the constructions and modifications of the historic buildings requires an approval prior to the execution. - Notification of the Ministry of Transport on Designation of the Areas near Chiang Mai Airport in the Districts of Mae Rim, San Sai, Mueang Chiang Mai, Hang Dong, and Saraphi in Chiang Mai Province as the Air Navigation Safety Zone B.E. 2535: <u>Asset Location</u> - The appraised asset is located in the Inner Horizontal Surface area of Chiang Mai Airport's Air Navigation Safety Zone. The Property Appraisal Report did not mention the limitation on the use of the property in accordance with the Company's objective .
The government-initiated projects	The government-initiated projects that may affect the use of land where the asset is located are as follows: <ul style="list-style-type: none"> - Chiang Mai Mass Transit Project (Red Line) (Nakornping Hospital – Mae Hia Saman Samakkhi Intersection): The project is presently under study, designing, bid document preparation, and environmental impact assessment (EIA). Construction is expected to begin in November 2024 and be completed by February 2028. It features Chiang Mai's mass transit/public transport system, linking all feeder systems to railways, public buses, and airport. Its main system will be light rail transit (LRT), consisting of 3 routes: <ol style="list-style-type: none"> 1) Red Line: Nakornping Hospital – Mae Hia Saman Samakkhi Intersection 2) Blue Line: Chiang Mai Zoo – Si Bua Ngoen Phatthana Intersection 3) Green Line: Ruam Chok Mi Chai Intersection – Chiang Mai Airport There are 2 network options (under consideration): Network A is mix of underground and surface structure and Network B is at surface only, with the details as follows: <u>Network A:</u> <ol style="list-style-type: none"> 1) Red Line – Spanning a distance of approximately 12 km. with the route of Nakornping Hospital – Civic Center and 700 Year Stadium – Chiang Mai International Exhibition and Convention Center – Chiang Mai International Hospital – Chiang Mai International Airport – Mae Hia Saman Samakkhi Intersection (Big C Supercenter Hang Dong Branch) 2) Blue Line - Spanning a distance of approximately 12 km. with the route of Chiang Mai Zoo – Rajamangala University of Technology Lanna – Chiang Mai University – Khlong Chonprathan Road – Hua Thom Market – Chiang Mai Night Bazaar – Nong Prathip Intersection – Si Bua Ngoen Phatthana Intersection 3) Green Line - Spanning a distance of approximately 11 km. with the route of Ruam Chok Intersection – Mae Jo Junction – Warorot Market – Chiang Mai Night Bazaar – Central Plaza Chiang Mai Airport – Chiang Mai International Airport <u>Network B:</u> <ol style="list-style-type: none"> 1) Red Line - Spanning a distance of approximately 15.65 km. with the route of Nakornping Hospital – Civic Center and 700 Year Stadium – Chiang Mai International Exhibition and Convention

Material Details of Land and Constructions of PCC (Freehold)	
	<p>Center – Chiang Mai Rajabhat University – Chiang Mai International Airport – Mae Hia Saman Samakkhi Intersection (Big C Supercenter Hang Dong Branch)</p> <p>2) Blue Line - Spanning a distance of approximately 13.81 km. with the route of Chiang Mai Zoo – Rajamangala University of Technology Lanna – Chiang Mai University – Maharaj Nakorn Chiang Mai Hospital – Chiang Mai Railway Station – Big C Supercenter – Si Bua Ngoen Phatthana Intersection (Promenade Shopping Center)</p> <p>3) Green Line - Spanning a distance of approximately 11.11 km. with the route of Ruam Chok Intersection – Mae Jo Junction – Central Festival Shopping Mall – Arcade Bus Station – Kat Luang Chiang Mai Night Bazaar – Central Plaza Chiang Mai Airport – Chiang Mai International Airport</p> <p>- Bangkok-Chiang Mai High Speed Train Project: The project is still under study, designing, planning, and bidding. Phases 1 and 2 (Bangkok - Chiang Mai) will cover a distance of 670 km., valued at Baht 420 billion, with travel time of 3 hours and 16 minutes and fare rate of Baht 1,100 - 2,900 per trip.</p>
Appraised value of land	Knight Frank Chartered (Thailand) Company Limited appraised the land, using the Cost Approach, at Baht 653.00 million for public purposes on January 11, 2024.

Source: The Property Appraisal Report No. VL/mk/R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited and the Draft Legal Due Diligence Report by Weerawong, Chinnavat & Partners Limited

Remark: 1/ The Company undertakes the design of building layouts and construction in project development within the constraints of land use regulations as per relevant laws.

4.2) Company Profile and Key Assets of the Lannatique Bazaar Project

PS2 was established on January 7, 2014 to operate commercial property business. As of February 17, 2024, it had a registered and paid-up capital of Baht 50 million, divided into 5,000,000 ordinary shares with par value of Baht 10 per share. *(Please refer to additional details of PS2 in Attachment 3 of this report)*

The key assets as shown in PS2's financial statements are leasehold rights of land and real estate for investment - net (leasehold rights of land and constructions which the Company will utilize for the development of the Lannatique Bazaar Project). The book value of such assets as per the audited financial statements for the 12-month period ended December 31, 2022 was at Baht 120.42 million and Baht 49.74 million, respectively. As for the unaudited financial statements for the 12-month period ended December 31, 2023, the values of land and constructions and equipment - net was at Baht 162.56 million and Baht 44.52 million, respectively. The market value assessed by an independent SEC-approved appraiser is approximately Baht 383.00 million, with details of the key assets as follows:

- 3 contiguous plots of land under leasehold rights with a total area of 6-1-22.7 rai with Night Bazaar building and car park building

Material Details of Leasehold Rights of Land and Constructions of PS2 (Leasehold)	
Location	Next to Chang Khlan Road and Thapae Soi 1 Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province and in close proximity to important places such as <ul style="list-style-type: none"> - Approximately 500 m. from Warorot Market (Kat Luang) - Approximately 300 m. from Chiang Mai Governor's residence - Approximately 1 km. from Thapae Gate
GPS Coordination	Lat: 18.785406; Long: 98.999467
Land size	3 plots of land covering a total area of 6-1-22.7 with the details as follows: <p>Section 1: A plot of land under title deed No. 540, parcel No. 2725, dealing file No. 371, with an area of 4-0-28 rai</p> <p>Section 2: 2 contiguous plots of land with a total area of 2-0-94.7 rai, with the following title deed details:</p> <ul style="list-style-type: none"> - Title deed No. 313, parcel No. 2705, dealing file No. 394, with an area of 1-0-59.7 rai - Title deed No. 627, parcel No. 2706, dealing file No. 395, with an area of 1-0-35 rai
Land characteristics	The land is in almost rectangular shape and completely filled to the same level as the frontage road. <p>Section 1: The land is next to (a) Chang Khlan Road (one-way traffic) on one side (a 4-lane asphalt road with 22-meter right of way and 14-meter road surface) and (b) Thapae Soi 1 Road (one-way traffic) on another side (a 2-lane asphalt road with 6-meter right of way and 4-meter road surface), approximately 70 meters in length. It is currently the location of Night Bazaar.</p> <p>Section 2: The land is next to Thapae Soi 1 Road (one-way traffic) (a 2-lane asphalt road with 6-meter right of way and 4-meter road surface), approximately 78.5 meters long. The rear is adjacent to Mae Kha Canal, approximately 80 meters long. It is currently the location of car park building.</p>
Details of constructions	Consist of Chiang Mai Night Bazaar Building and car park building, with a total usable area of approximately 19,144 sq.m. <p>Construction on Land Section 1: The 2-storey Chiang Mai Night Bazaar Building with a basement, having a usable area of approximately 13,852 sq.m., aged about 46 years with moderate physical condition</p> <p>Construction on Land Section 2: 2 units of 2-storey car park building with a rooftop, having a usable area of approximately 5,292 sq.m., aged about 4 years with somewhat good physical condition</p>
Owner of land and constructions	A foundation in Chiang Mai (who is not a connected person of the Company)

Material Details of Leasehold Rights of Land and Constructions of PS2 (Leasehold)	
The holder of leasehold rights	Permsub Siri 2 Company Limited (PS2); under a 30-year Lease Agreement from July 1, 2014 (date of lease agreement registration) to June 30, 2044, with remaining lease term of 20 years and 172 days (as of the appraisal date on January 11, 2024) Additional condition: The Lessor gives consent to the Lessee to divide the leased property for sub-leasing. However, prior consent must be sought from the Lessor in the case where the Lessee sub-leases the entire leased property under this agreement to a single party, except where the entire leased property under this agreement is sub-leased to Kalare Night Bazaar Company Limited or any affiliated company of TCC Land Company Limited in which case no prior consent from the Lessor is required. The sub-lease term shall not exceed the term of this agreement.
Encumbrance	Lease Agreement between the Foundation (Lessor) and Permsub Siri 2 Company Limited (Lessee), with a lease term of 30 years as at June 27, 2014. Remaining lease term is 20 years and 172 days.
Legal impact on the asset ^{1/}	The details are the same as those described in the Lannatique The Plaza Project.
Appraised value of land	Knight Frank Chartered (Thailand) Company Limited appraised the land, using the Profit Rent Approach, at Baht 347.00 million for public purposes on January 11, 2024.

Source: The Property Appraisal Report No. VL/mk/R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark: 1/ The Company undertakes the design of building layouts and construction in projection development within the constraints of land use regulations as per relevant laws.

Summary of Land and Constructions Lease Agreement of PS2	
Counterparties	Lessee: Permsub Siri 2 Company Limited (PS2) Lessor: A foundation in Chiang Mai which is not a connect person of the Company
Leased assets	3 plots of land under title deed No. 313, 540, and 627 in Chang Khlan District, Mueang Chiang Mai District, Chiang Mai Province, with a total area of 6-1-22 rai and constructions with fixtures, utilities, and facilities.
Leased period and lease renewal	30 years from July 1, 2014 to June 30, 2044. If the Lessee wishes to continue leasing the property, the Lessee shall notify the lessor in writing not less than 3 years prior to the end of the Lease Agreement.
Lease payment	The Lessee agrees to make upfront lease payment of Baht 166,700,000 on the registration date of leased property and agrees to pay rent on a monthly basis, payable in advance on the 10 th of every month. The rental rate is as follows: Year 1 - 5: Baht 120,000 per month, Year 6 - 10: Baht 150,000 per month, Year 11 - 15: Baht 187,500.00 per month, Year 16 – 20: Baht 234,375.00 per month, Year 21 – 25: Baht 292,968.75 per month, and Year 26 – 30: Baht 366,210.94 per month.
Default payment and penalty	If the Lessee does not pay rent in any month, the Lessee agrees to pay interest at the rate of 7.5% p.a. on the unpaid balance to the lessor from the default payment date until the date on which the Lessee fully paid monthly rent to the Lessor. If the Lessee fails to pay the rent for 3 consecutive months, the Lessee shall be deemed to be in breach of contract. The Lessor can terminate the Lease Agreement immediately.
Duty of the Lessee	The Lessee agrees to construct a car park building on behalf of the Lessor on title deeds No. 313 and 627 at the Lessee's own expense. Ownership of such car park building belongs to the Lessee throughout the lease period. The said car park building shall immediately become the property of the lessor at the end of the Lease Agreement.
Transfer of leasehold rights	The written consent from the Lessor is required before transferring the leasehold rights to the persons other than contractual lessee.
Sub-lease	The Lessor consents the Lessee to sublease space of the leased property. The consent to sublease from the Lessor is required if the Lessee wants to sublease all the lease area to other person unless it is subleased to Kalare Night Bazar Company Limited or the companies in TCC Land Group. Such sublease agreement shall not exceed the term of lease under this agreement.
Termination of the agreement	If any party breaches any term of the agreement, the party that is not in breach of agreement must give written notice to the party in breach of the agreement to rectify such event within 30 days from the date of receipt of the notice. If that deadline has passed and the party in breach of agreement has not complied with the notice, the other party has the right to terminate the agreement.

4.3) Company Profile and Key Assets of the Lannatique Kalare Project

KCC (formerly Retail World 6 Company Limited) was established on November 27, 2014 to operate commercial property business. As of February 17, 2024, it had a registered and paid-up capital of Baht 500 million, divided into 50,000,000 ordinary shares with par value of Baht 10 per share. *(Please refer to additional details of KCC in Attachment 4 of this report)*

The key assets as shown in KCC's financial statements are real estate for investment - net (land and constructions which the Company will utilize for the development of the Lannatique Kalare Project). The book value of such assets as per the audited financial statements for the 12-month period ended December 31, 2022 was at Baht 832.84 million (land: Baht 789.83 million, constructions - net: Baht 35.08 million, and assets under construction: Baht 7.94 million). As for the unaudited financial statements for the 12-month period ended December 31, 2023, the values of land, buildings, and

equipment – net was at Baht 829.29 million (land: Baht 789.83 million, buildings and equipment - net: Baht 31.52 million, and assets under construction: Baht 7.94 million). The market value assessed by an independent SEC-approved appraiser is approximately Baht 2,405.00 million, with details of the key assets as follows:

Summary of Land and Constructions of KCC (Freehold)	
Location of land and constructions	Next to Chang Khlan Road and Charoen Prathet Soi 1 Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province and in close proximity to important places such as <ul style="list-style-type: none"> - Approximately 500 m. from Warorot Market (Kat Luang) - Approximately 300 m. from Chiang Mai Governor's residence - Approximately 1 km. from Thapae Gate
GPS Coordination	Lat: 18.786286; Long: 99.001541
Land size	40 contiguous plots of land covering a total area of 21-2-9 rai (details of title deeds are provided in Part 3, Transaction 2, Clause 2.1, of this report), consisting of: <u>Land Group 1</u> : 20 contiguous plots of land with a total area of 6-3-35.6 rai <u>Land Group 2</u> : 2 contiguous plots of land with a total area of 0-0-88.9 rai <u>Land Group 3</u> : 7 contiguous plots of land with a total area of 2-2-39 rai <u>Land Group 4</u> : 1 plot land with an area of 0-0-18.9 rai <u>Land Group 5</u> : 9 contiguous plots of land with a total area of 1-0-9.8 rai <ul style="list-style-type: none"> - <u>Land Group 5 - Section 1</u>: 8 contiguous plots of land with a total area of 0-1-49.7 rai - <u>Land Group 5 - Section 2</u>: 1 plot of land with an area of 0-2-60.1 rai <u>Land Group 6</u> : 1 plot of land with an area of 1-2-76 rai
Land characteristics	The land is in polygonal shape, completely filled to the same level as the frontage road. <u>Land Group 1</u> : The land is next to Chang Khlan Road on 2 sides, approximately 30 meters and 49 meters long respectively. It is currently the location of Kalare Night Bazaar. <u>Land Group 2</u> : The land is next to Chang Khlan Road, approximately 23 meters long. It is currently the location of retail shops and a 3-storey office building. <u>Land Group 3</u> : The land is next to Charoen Prathet Soi 1 Road, approximately 35 meters long. It is currently the location of the Ancient House (Zheng He House). <u>Land Group 4</u> : The land is next to Chang Khlan Road, approximately 4 meters long. It is currently the location of a 3-storey commercial building. <u>Land Group 5</u> : Section 1 - The land is next to Chang Khlan Road, approximately 32 meters long. It is currently the location of a 3-storey commercial building. Section 2 - The land is next to Chang Khlan Road and Charoen Prathet Soi 1 Road, approximately 10 meters and 32 meters long, respectively. It is currently the location of Night Bazaar Place Hotel. <u>Land Group 6</u> : The land is next to Charoen Prathet Soi 1 Road, approximately 21 meters long. It is currently the location of a 4-storey dormitory and 2-2.5-storey commercial building.
Details of constructions	Consist of a plaza building (with retail shops), car park building, Kalare Night Bazaar, restrooms, commercial buildings, and residential buildings, in six groups with 24 items in total (the buildings are separately located in each of Land Groups 1 – 6), having a total building space of approximately 17,325 sq.m., aged around 7 - 100 years, with moderate and fair physical condition and low-to-medium maintenance (Please refer to more details in Part 3, Transaction 2, Clause 2.1 of this report).
Owner of land and constructions	Kalare Chang Klan Chiangmai Company Limited (KCC)
Encumbrance	None
Legal impact on the asset ^{1/}	The details are the same as those described in the Lannatique The Plaza Project.
Appraised value of land	Knight Frank Chartered (Thailand) Company Limited appraised the land, using the Profit Rent Approach, at Baht 2,456.00 million for public purposes on January 11, 2024.

Source: The Property Appraisal Report No. VL/mk/R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark: 1/ The Company undertakes the design of building layouts and construction in projection development within the constraints of land use regulations as per relevant laws.

Overview of the Lannatique Destination Project

4.4) The Lannatique Destination Project Development Plan

The Lannatique Destination Project is a mixed-use project that will be developed by AWC in the heart of Chiang Mai city. The project will connect a number of AWC's projects in the area spanning from Thapae Road to Chang Khlan Road, Chiang Mai Night Bazaar, Kalare Night Bazaar, Charoen Prathet Road, Loi Kroh Road, and Sridonchai Road.

AWC's business group in Chiang Mai will initially consist of 8 projects, including completed projects, projects under development, and projects awaiting development. These projects are located on Chang Khlan Road and in the surrounding area.

AWC's Business Group in Chiang Mai				
Project	Location	Format	Commencement Date	Remark
<u>Completed Projects Currently in Operation</u>				
InterContinental Chiang Mai The Mae Ping	Sridonchai Road	Luxury hotel	2023 (under IHG brand)	Developed from Imperial Mae Ping
Chiang Mai Marriott Hotel	Chang Khlan Road, Loi Kroh Road	Upper upscale hotel	2023	
Melia Chiang Mai	Charoen Prathet Road	Upper upscale hotel	2022 (under Melia brand)	Developed from Pornping Tower Hotel, Chiang Mai
dusitD2 Chiang Mai (currently leased to Dusit Thani Public Company Limited)	Chang Khlan Road	Upper upscale hotel	2006 ^{1/}	Will develop the project in connection to the Lannatique The Plaza Project
Pantip Lifestyle Hub – Chiang Mai	Chang Khlan Road	Shopping Center (Retail Zone, Lifestyle Market Zone, Fashion Zone, Health and Beauty Center, Mother and Child Zone, and Learning Center and Playground)	Started transitioning to Lifestyle Hub in 2023	
Lannatique Market Project	Chang Khlan Road	Night market	Acquired by the Company on Feb 28, 2024	Will develop the project in collaboration with the Lannatique The Plaza Project
<u>Projects under development</u>				
Lannatique Destination Project - Lannatique The Plaza Project - Lannatique Bazaar Project - Lannatique Kalare Project	Chang Khlan Road, Charoen Prathet Soi 1 Road, Thapae Soi 1 Road	Upper upscale and luxury hotels, shopping center, lifestyle market, entertaining art center, and amusement park	Phase 1: by Q2/2025 Phase 2: by Q4/2027 Phase 3: by Q4/2030	
<u>Projects awaiting development</u>				
Land and constructions, Thapae Road - the corner of Thapae Soi 1, opposite Trok Lao Jao Alley (entrance to Warorot Market or Kat Luang Chiang Mai)	Thapae Road	n.a.	Acquired by the Company on Feb 28, 2024	Location of the first department store in Chiang Mai
Trok Lao Jao is an old alley that has been around for over 100 years, a gathering place for various foods and a wide variety of handmade goods from the Hmong tribe from the Hmong Market with many traditional fabrics and jewelry to choose from.				

Source: 1/ <https://www.dusit-international.com/th/about-us/our-heritage-and-milestones>

Customers can choose to utilize services from each project that meet their current needs or allocate time for accommodation/services in each project. Each project offers unique selling points, activities, and room formats to provide a variety of options for customers.

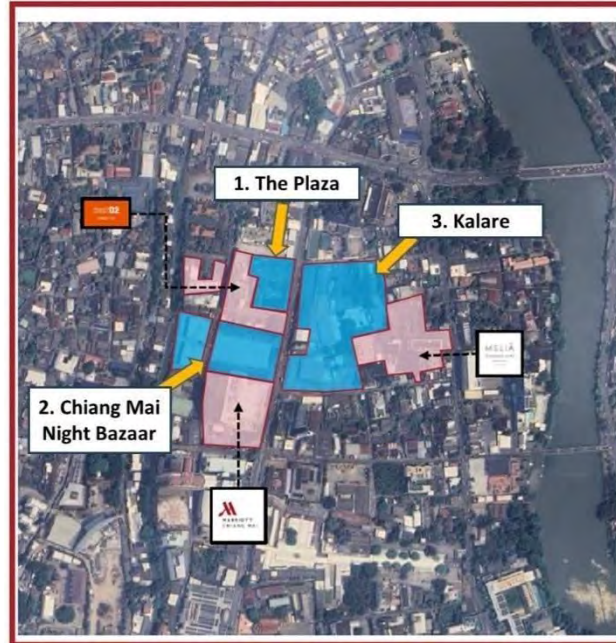
The Company has a development plan for the Lannatique Destination Project in the Chang Khlan Road area and nearby areas to become a new lifestyle destination in Chiang Mai Province. It aims to be a new landmark for tourism in Chiang Mai and Thailand, as well as a sustainable global tourism destination. The development goal for the Lannatique Destination Project is to make it similar to the Asiatique the Riverfront Destination Project, which is a significant landmark along the Chao Phraya River, as well as the development of the Aquatique Pattaya Project to become a new landmark of Pattaya city and the development of the Woeng Nakhon Kasem Project to become another significant landmark in the Yaowarat area.

Project Concept: Chiang Mai is considered a city that meets the needs of arts and culture. Therefore, the Company is preparing to develop the Lannatique Destination Project to be a showcase of the unique and culturally valuable aspects of the northern region, with an Art Village added to enhance its prominence as a standout tourist destination.

The Company plans to develop the Lannatique Destination Project, consisting of 3 sub-projects: Lannatique The Plaza Project, Lannatique Bazaar Project, and Lannatique Kalare Project, to be upper upscale and luxury hotels totaling 550 rooms (if combining with the project on an adjacent area to dusitD2 Chiang Mai, the total number of rooms shall increase to 652 rooms), retail shops, and

commercial space located in the Chang Khlan area, including the Chiang Mai Night Bazaar area and Kalare Night Bazaar area, which are renowned evening tourist destinations and cultural hubs with a long-standing reputation in Chiang Mai. The Company is committed to developing the Chang Khlan area, Chiang Mai, into a premier destination for art and culture tourism in the country.

Figure 11: Location of Assets of the Project (Transaction 2)



Source: The Company, Google Map

Figure 12: Current Condition of Assets of the Project (Transaction 2)



Source: The Company

The Lannatique Destination Project will serve as a key contributor to establishing a new lifestyle destination in Chiang Mai Province, which will be a new landmark for tourism in Chiang Mai and Thailand,

as well as a sustainable global tourist destination. The project is scheduled to begin its first phase around Q2/2025 and complete all phases by Q4/2030.

4.4.1) Details of the Lannatique The Plaza Project

The Company plans to develop the Lannatique The Plaza Project as an 85-room upper upscale hotel with a Japanese ambiance and culture, to be operated under the upper upscale hotel brand. This includes the development of a project on the adjacent land to the DusitD2 Chiang Mai, resulting in a total of 187 rooms for both projects combined. Details of the project are as follows:

	Project on the Adjacent Area to DusitD2 Chiang Mai	Lannatique The Plaza Project
Type of project/hotel	The upper upscale hotel, currently managed by the Dusit Thani Group, until the Company develops a project in collaboration with the Lannatique The Plaza Project to become an upper upscale hotel.	Upper upscale hotel, managed by upper upscale hotel brand
Location	100 Soi Thapae 1, Chang Khlan Sub-district, Mueang District, Chiang Mai Province	Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province
Land area	2-2-67 rai	2-3-10 rai
Ownership of land and constructions	Freehold	Freehold
Project area	1. The D2 project is a 10-storey hotel building above ground and 2 basement levels, comprising of guest rooms, lobby, fitness center, swimming pool, restaurants, bars, and retail space. 2. The restaurant project along the Mae Kha Canal is a 2-storey building.	The hotel building (4 floors and 2 basements), comprising of guest rooms, lobby, onsen, spa, restaurants, café, private bar, recreational area, retail space, and parking lots.
No. of rooms	102 rooms	85 rooms
Parking space	38 vehicles	
Development period	It has been in operation since 2005 and THAM ^{1/} made and investment in 2022. It will be developed to connect with the Lannatique The Plaza Project at this time.	The project development will begin at the end of 2024 and is expected to be fully operational in Q1/2028 .
Conceptual overview	An upper upscale hotel in a Japanese-themed atmosphere, where the upper upscale hotel brand is a luxurious hotel brand that presents the beauty and spirit of service that are unique to Japan. By blending the sincerity in every Japanese detail with world-class service quality and modern facilities, it offers a new style of accommodation experience.	
Selling points	<ul style="list-style-type: none"> - Luxurious accommodation in a Japanese-themed atmosphere, along with onsen services and comprehensive facilities. - Conveniently located on Chang Khlan Road, adjacent to Chiang Mai Night Bazaar, surrounded by activities from the Lannatique Destination Project and within the AWC group. - A central hub that connects to the old city area, Thapae Gate, Warorot Market (Kat Luang), Nawarat Bridge, Ping River waterfront, Wat Gatekaram area, as well as easy access to various tourist destinations outside the city. 	
Target group	Domestic and international tourists, business travelers, including Japanese customers who have a strong loyalty to the brand.	
Connection with other projects	There is an elevated walkway connecting the Lannatique The Plaza Project's building with the Lannatique Bazaar Project's building. In addition, there is an underground connection between the parking lots of the Lannatique Bazaar Project, the DusitD2 Project, and the Lannatique The Plaza Project.	

Remark: 1/ TCC Hotel Asset Management Company Limited (THAM) is a subsidiary of the Company

Lannatique the Plaza Project consists of:

- (1) An 85-room upper upscale hotel emphasizing on relaxation with recreational common areas such as an onsen and spa, co-working space, and a cinema room
- (2) Omakase restaurant, specialty restaurant, café, and private bar

The **D2** Project consists of a 102-room upper upscale hotel, restaurant, lounge club, rooftop bar, and recreational common area including fitness center, swimming pool, and pool deck.

The Mae Kha Canal Restaurant Project consists of a restaurant and bar, as well as a specialty restaurant.

The investment used for the development of the Lannatique The Plaza Project (excluding land price but including the development cost of the **D2** Project and the Mae Kha Canal Restaurant Project on the adjacent land of the DusitD2 Chiang Mai) is approximately Baht **2,005.20** million (inclusive of VAT). The Gross Floor Area is approximately **29,409** sq.m. with a Net Lettable Area of **14,125** sq.m., comprising of:

Project	Gross Floor Area (GFA)	Net Lettable Area (NLA)
Lannatique The Plaza Project	The hotel building consists of 4 floors and 2 basement parking levels, with a total Gross Floor Area (GFA) of 15,712 sq.m., divided into: <ul style="list-style-type: none"> Accommodation: 85 rooms, approximately 4,527 sq.m. Restaurants, café, and private bar: approximately 397 sq.m. Retail space: approximately 361 sq.m. Facilities, including onsen, spa, co-working space, and cinema room: approximately 1,755 sq.m. Common area, service area, and system area: approximately 7,883 sq.m. Parking space: approximately 789 sq.m. 	7,040 sq.m.
D2 Project	The 10-storey hotel building with total Gross Floor Area (GFA) of 11,679 sq.m., divided into: <ul style="list-style-type: none"> Accommodation: 102 rooms, approximately 5,505 sq.m. Restaurant and bar: approximately 872 sq.m. Retail space: approximately 361 sq.m. Recreational area: approximately 533 sq.m. Common area, service area, and system area: approximately 4,787 sq.m. 	6,377 sq.m.
The Mae Kha Canal Restaurant Project	The 2-storey building with a total Gross Floor Area (GFA) of 2,000 sq.m., divided into: <ul style="list-style-type: none"> Restaurant and bar and specialty restaurant: approximately 708 sq.m. Common area, service area, and system area: approximately 1,292 sq.m. 	708 sq.m.

Project Development Timeline

The project development is expected to commence in the end of 2024 and span a period of 3 years and 3 months, with full-scale operation expected to commence in Q1/2028.

In this regard, PCC will be responsible for preparing Environmental Impact Assessment (EIA) Reports (if any), applying for construction permits, and obtaining approvals from relevant government agencies related to the construction of the project.

4.4.2) Details of the Lannatique Bazaar Project

The Company plans to develop the Lannatique Bazaar Project (on a leasehold land expiring on June 30, 2044) to be (a) an 12-storey upper upscale hotel with 297 rooms, to be managed by upper upscale hotel brand, as an extension of the Chiang Mai Marriott Hotel located adjacent to it, which commenced operations in November 2023, to enhance customer experiences (with a total room count of both hotels being 680 rooms), and (b) the Night Bazaar shopping center and car park building, with the following details:

	Chiang Mai Marriott Hotel	Lannatique Bazaar Project
Type of project/hotel	Upper upscale hotel, managed by Marriott	- <u>Phase 1</u> : Night Bazaar shopping center - <u>Phase 2</u> : Upper upscale hotel caters to families and MICE segments
Location	Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province. Both properties are located next to each other.	
Land area	5-2-3 rai	Hotel and shopping center: 4-0-28 rai Car park building: 2-0-94 rai
Ownership of land and constructions	Freehold	Leasehold. The lease expires on June 30, 2044, with a remaining lease term of 20 years and 172 days (as of the appraisal date on January 11, 2024).
Project area	The 22-storey hotel building consists of guest rooms, a lobby, fitness center, spa, wellness center, swimming pool, 11 meeting rooms, 2 restaurants, 1 bar, 1 pool bar, and underground parking.	12-storey building and a car park building - <u>Phase 1</u> : Night Bazaar Shopping Center. Total Gross Floor Area (GFA) of 22,508 sq.m., total Net Lettable Area (NLA) of 7,731 sq.m., and underground parking for 190 vehicles. - <u>Phase 2</u> : Hotel including guest rooms, lobby, fitness center, spa, swimming pool, meeting rooms, restaurant, and pool bar. - Car park building (at the rear of the 12-storey building) for 278 vehicles
No. of rooms	383 rooms	297 rooms
Parking space	198 vehicles	468 vehicles
Development period	Opened in November 2023	Development is scheduled to begin at the end of 2024 and is expected to be fully operational in Q4/2029
Selling points and target group	- Focus on capturing the MICE market, with fully equipped meeting rooms and event venues - The first Marriott Hotel in Chiang Mai	- Targeting both family and MICE groups. - Providing facilities similar to those of the Chiang Mai Marriott Hotel

	Chiang Mai Marriott Hotel	Lannatique Bazaar Project
	- Located on the renowned night bazaar in the central of Chiang Mai city and close to the old city of Chiang Mai, as well as in close proximity to Warorot Market, walking street, Thapae Gate, with the convenient transportation from Chiang Mai International Airport	- Located at the Night Bazaar Shopping Center, which will be developed into a tourist destination connecting with Global Partners, enhancing the diversity of the AWC Group's Chang Khlan area project, catering to tourists of all ages and levels.

Chiang Mai Marriott Hotel (asset of the Company)

Chiang Mai Marriott Hotel is the only hotel under the Marriott International brand in Chiang Mai. It offers a relaxing city-center stay experience through design inspiration from the opulent era of the Lanna Kingdom in the 19th century, blending with Northern Thai art and culture. It caters to welcome tourists, business travelers, and hosting international meetings (MICE).

The hotel features 22-storey building with 383 rooms, each designed to provide guests with stunning views of Doi Suthep mountain and Chiang Mai city. The rooms and suites feature large windows, work desks, bathrooms with glass and marble features, rain showers, and bathtubs, with fully equipped facilities in the hotel, such as:

- Club room, known as the "M Club": Located on the 21st and 22nd floors, offering a private space for relaxation, work, or dining.
- Restaurant and bar: the restaurants of Chiang Mai Marriott Hotel offer a diverse range of Thai, international, and Northern Thai cuisine, all prepared using locally sourced organic ingredients to support the community. The bar offers a variety of options including coffee, bakery, snacks, gin-based drinks, and a diverse selection of cocktails. Additionally, there is a poolside bar available.
- Conference and banquet facilities: Chiang Mai Marriott Hotel offers 1,741 sq.m. of function space that can be configured for events ranging from compact meetings and seminars to 700-guest banquets and 1,000-delegate conventions.
- Fitness center, swimming pool, and spa: The outdoor swimming pool of Chiang Mai Marriott Hotel features an extravagant views of the Chiang Mai city and Doi Suthep Mountain. There are also kids pool and kids club as well as recreational area for families, as well as fitness center and Quan Spa that offers spa experience that embraces the balance by nurturing power of pure water.

The Lannatique Bazaar Project consists of:

(1) Upper upscale hotel

Comprises of 297 rooms and central facilities such as lobby, fitness center, spa, swimming pool, meeting rooms, restaurants, and a pool bar.

(2) Night Bazaar Shopping Center

A 4-storey building with a total Gross Floor Area (GFA) of 14,206 sq.m. and the Net Lettable Area (NLA) of 7,731 sq.m., with underground parking for 190 vehicles on a total area of 8,302 sq.m. This shopping center will be connected to building of the Lannatique The Plaza Project.

(3) Car park building

Includes parking space for 278 vehicles and underground parking connected to building of the Lannatique The Plaza Project, which can accommodate 190 vehicles.

The investment used for development of the Lannatique Bazaar Project (excluding land price) is approximately Baht 2,865.95 million (inclusive of VAT). The total building area is approximately 54,509 sq.m., comprising of a hotel building of 25,284 sq.m., the Night Bazaar shopping center of 14,206 sq.m., and a car park building of 15,019 sq.m.

Project Development Timeline

The project development is expected to commence in the end of 2024 and span a period of 5 years and 9 months, with full-scale operation expected to commence in Q4/2029.

In this regard, PS2 will be responsible for preparing Environmental Impact Assessment (EIA) Reports, applying for construction permits, and obtaining approvals from relevant government agencies related to the construction of the project.

4.4.3) Details of the Lannatique Kalare Project

The Company plans to develop the Lannatique Kalare Project to be a large mixed-use project consisting of (a) a 9-storey luxury hotel with 168 rooms, managed by a leading global brand, adjacent to the Melia Chian Mai on Charoen Prathet Road, which commenced operations under the AWC group in April 2022,²⁷ (b) a shopping center, lifestyle market, entertaining art center, and indoor amusement and water park, and (c) car park building and underground and above-ground parking spaces, totaling **563** vehicles, with details as follows:

	Lifestyle Market and Art Village	Shopping Center (Mixed use - Podium) and Car Park Building	Luxury Hotel
Guideline	Renovate the Kalare Market in Chiang Mai and construct a new market; renovate the Zheng He House and old commercial buildings, while preserving the ancient house.	Construct a car park building and a shopping center (Mixed use - Podium)	Construct a hotel building (Mixed use - Tower)
Gross Floor Area	51,010 sq.m.		21,588 sq.m.
Net Lettable Area	20,846 sq.m.		14,106 sq.m.
Project format	Comprise of: Lifestyle and art market area, entertaining art center, and craft village, such as art trade gallery, food court, event area, and co-working space	Comprise of: Shopping center building with retail shops, supermarket, and theme park (in collaboration with a global partner)	Comprise of: 9-storey hotel building with 168 rooms and a water park.
Parking space	563 vehicles		
Target groups	Thai and foreign tourists, expatriates living and working in Chiang Mai and neighboring provinces, locals, Thai and foreign celebrities/influencers		Family groups, businessmen, and travelers
Investment cost (excluding land price)	Approximately Baht 8,502.24 million (inclusive of VAT)		
Scheduled operation date	by Q2/2025	by Q4/2027	by Q4/2030

The investment used for development of the project (excluding land price) is approximately Baht 8,502.24 million (inclusive of VAT), with a Gross Floor Area of approximately 72,598 sq.m. and a Net Lettable Area of 34,952 sq.m.

Figure 13: Conceptual Overview of the Lannatique Destination Project



²⁷ It is the first 5-star hotel to debut after the COVID-19 pandemic. The Melia Chiang Mai consists of a 22-storey tower and a 7-storey Podium building, with 2 restaurants, 2 bars, 2 lounges, and a spa featuring 7 private treatment rooms, fitness center, swimming pools, ballrooms, and kids' clubs, along with facilities and activities for children.

Project Development Timeline

The project development is expected to commence in the end of 2024 and span a period of 3 years and 3 months, with full-scale operation expected to commence in Q1/2028.

In this regard, PCC will be responsible for preparing Environmental Impact Assessment (EIA) Reports, applying for construction permits, and obtaining approvals from relevant government agencies related to the construction of the project.

5) Total Value of Assets being Acquired, Payment of Consideration, and Criteria for Determining Total Value of Assets being Acquired and Value of Consideration

5.1) Total Value of Assets being Acquired

The total maximum value of assets acquired in this transaction, the Lannatique Destination Project, is approximately Baht 12,731.39 million, comprising of (a) all ordinary shares of PCC, PS2, and KCC, totaling Baht 3,448.00 million and (b) additional payment of 5% p.a., compounded on the unpaid balance, pertaining to the condition of share sale and purchase in Year 5 of approximately Baht 781.15 million. In addition, the investment for the development of the Lannatique Destination Project amounts to approximately Baht 8,502.24 million (inclusive of VAT).

Lannatique Destination Project	Total Value of Assets being Acquired (Baht million)
(1) Lannatique The Plaza Project	
(a) All ordinary shares of PCC	650.33
(b) An additional payment of 5% p.a., pertaining to the condition of share sale and purchase in Year 5	147.33
(c) Project development cost	2,147.55
Total (1)	2,945.21
(2) Lannatique Bazaar Project	
(a) All ordinary shares of PS2	346.45
(b) An additional payment of 5% p.a., compounded on the unpaid balance, pertaining to the condition of share sale and purchase in Year 5	78.49
(c) Project development cost	2,865.95
Total (2)	3,290.89
(3) Lannatique Kalare Project	
(a) All ordinary shares of KCC	2,451.22
(b) An additional payment of 5% p.a., compounded on the unpaid balance, pertaining to the condition of share sale and purchase in Year 5	555.33
(c) Project development cost	3,488.74
Total (3)	6,495.29
Grand total	12,731.39

5.2) Payment of Consideration

The Company will pay the acquisition price of PCC, PS2, and KCC ordinary shares to the sellers in cash, whereby the Company and/or its subsidiaries will proceed to purchase PCC, PS2, and KCC ordinary shares from the sellers in the proportion of 18% of total shares of PCC, PS2, and KCC in the total maximum amount of approximately Baht 620.64 million by April 26, 2024 (the date on which the **shareholders' meeting** approves the entering into the transaction). The Company will conduct a thorough business due diligence and evaluation before purchasing the aforementioned PCC, PS2, and KCC ordinary shares. The Purchasers of PCC Ordinary Shares, the Purchasers of PS2 Ordinary Shares, and the Purchasers of KCC Ordinary Shares will have the right to proceed with the purchase of the remaining 82% of PCC, PS2, and KCC ordinary shares (either in a single purchase or multiple purchases), at the total amount of Baht 2,827.36 million, under the condition that the Purchasers of PCC Ordinary Shares, the Purchasers of PS2 Ordinary Shares, and the Purchasers of KCC Ordinary Shares must pay an additional payment of 5% p.a., compounded on the unpaid balance. The Company and/or its subsidiaries will have the right to complete the purchase of all ordinary shares within a period of 5 years from the **date of approval at the shareholders' meeting. If the Company does not exercise** the aforementioned rights, it shall pay compensation of 5% p.a., compounded on the unpaid balance, and this will be considered as the termination of the agreement.

Details of each sub-project are as follows:

Lannatique Destination Project (Unit: Baht million)	Initial Payment (18%)	Subsequent Payment (82%)	Total Amount of Share Payment	Max. Additional Payment	Total
Lannatique The Plaza Project (payment for PCC ordinary shares)	117.06	533.27	650.33	147.33	797.66
Lannatique Bazaar Project (payment for PS2 ordinary shares)	62.36	284.09	346.45	78.49	424.94
Lannatique Kalare Project (payment for KCC ordinary shares)	441.22	2,010.00	2,451.22	555.33	3,006.55
Total	620.64	2,827.36	3,448.00	781.15	4,229.15

The total investment for the development of the Lannatique Destination Project equal to approximately Baht 8,502.24 million (inclusive of VAT), comprising of approximately Baht 2,147.55 million for the Lannatique The Plaza Project, approximately Baht 2,865.95 million for the Lannatique Bazaar Project, and approximately Baht 3,488.74 million for the Lannatique Kalare Project (inclusive of VAT). This will be financed through loans from financial institutions secured by PCC, PS2, and KCC and pay in cash in installments as actually incurred.

5.3) Criteria for Determining Total Value of Assets being Acquired and Value of Consideration

The Company and/or its subsidiaries will invest in ordinary shares of PCC, PS2, and KCC²⁸ at the total amount of Baht 3,448.00 million²⁹ in order to acquire the rights to develop the Lannatique Destination Project on a total area of 12-1-68.2 rai, comprising (a) PCC's land, to be used for the location of the Lannatique Destination Project (details as per Part 1, Transaction 2, Clause 4.4.1 of this report), (b) PS2's leasehold rights to be used for the location of the Lannatique Bazaar Project (details as per Part 1, Transaction 2, Clause 4.4.2 of this report), and (c) KCC's land to be used for the location of the Lannatique Kalare Project (details as per Part 1, Transaction 2, Clause 4.4.3 of this report). The acquisition price is based on the assessed value of the land and constructions. The criteria for determining land value are based on the Market Comparison Approach, while the constructions value is determined by the Cost Method. The value of leasehold rights is calculated using the Profit Rent Method and Income Approach for verification purposes. The market value of such assets of Baht 3,456.00 million is referenced from the Property Appraisal Report dated January 25, 2024 prepared by CBRE (Thailand) Company Limited, an SEC-approved property appraiser.

In this regard, PCC, PS2, and KCC plan to use funds for the development of the projects, totaling approximately Baht 8,502.24 million³⁰ (inclusive of VAT), of which the Company and/or its subsidiaries are required to pay a total of approximately Baht 11,950.20 million (inclusive of VAT). From the Company's study of the project development and estimated return on investment, the Lannatique Destination Project has a net present value (NPV) of Baht 4,981.80 million and the internal rate of return (IRR) of 13.60% p.a.

6) Calculation of Transaction Size

Asset acquisition transaction (Transaction 2)

Criteria for Calculation of Transaction Size	Calculation Formula	Transaction Size
1. Net tangible asset (NTA) criteria	Comprising of: <u>Lannatique The Plaza Project (PCC)</u> = Baht 81.60 million ^{1/} / Baht 85,857.38 million ^{2/} = 0.10% <u>Lannatique Bazaar Project (PS2)</u> Not applicable because PS2 has negative net tangible assets <u>Lannatique Kalare Project (KCC)</u> = Baht 444.26 million ^{3/} / Baht 85,857.38 million ^{2/} = 0.52% <u>Remark:</u> This criteria is not applicable for Transaction 1 and Transaction 3 because 38D and ACA have negative net tangible assets	0.62%

²⁸ Book values of PCC, PS2, and KCC as of December 31, 2023 amounted to Baht 81.60 million, Baht (34.27) million, and Baht 446.24 million, respectively.

²⁹ Including the lease payments throughout the 60-year lease term, totaling Baht 613.80 million, of which 38D has already paid the full amount.

³⁰ The total value of the Lannatique Destination Project includes the development cost of the project on the adjacent area to dusitD2 Chiang Mai.

Criteria for Calculation of Transaction Size	Calculation Formula	Transaction Size
2. Net profit criteria	Not applicable because PCC, PS2, and KCC generated operating losses <u>Remark:</u> Transaction 1: 0.44%, Transaction 3: Not applicable because ACA generated operating losses	-
3. Total value of consideration criteria	= Baht 12,731.39 million ^{4/} / Baht 172,439.29 million ^{5/} <u>Remark:</u> When combining with size of Transaction 1 – Transaction 3, the transaction size is equal to 9.87% (size of Transaction 1 – Transaction 3 equal to 1.87%, 7.38%, and 0.62%, respectively).	7.38%
4. Total value of securities criteria	Not applicable because there is no issuance of new securities as consideration of assets acquired	-
Highest criteria: total value of consideration (Transaction 2)		7.38%
Highest transaction size of the 3 transactions based on total value of consideration criteria		9.87%
Highest transaction size of the 3 transactions, including transactions during the past 6 months		10.62%

Remark:

- 1/ Net tangible assets of PCC = Total assets of Baht 288.92 million – Total liabilities of Baht 207.32 million, based on the unaudited financial statements for the year ended December 31, 2023.
- 2/ Net tangible assets of the Company = Total assets of Baht 172,437.29 million – Intangible assets of Baht 299.64 million – Deferred tax assets of Baht 1,319.02 million – Total liabilities of Baht 84,961.25 million, based on the audited consolidated financial statements of the Company for the year ended December 31, 2023.
- 3/ Net tangible assets of KCC = Total assets of Baht 1,284.31 million – Total liabilities of Baht 840.05 million, based on the unaudited financial statements for the year ended December 31, 2023 and adjusted by the acceptance of asset transfer to KCC.
- 4/ Comprising of (a) an acquisition price of the Lannatique Destination Project (PCC, PS2, and KCC) of Baht 3,448 million, (b) an additional payment of 5% p.a., compounded on the unpaid balance, pertaining to the condition on share sale and purchase in Year 5, of Baht 781.15 million, and (c) a project development cost of Baht 8,502.24 million (inclusive of VAT).
- 5/ **The Company's total assets from the audited consolidated financial statements for the year ended December 31, 2023.**

Connected transaction (Transaction 2)

Criteria for Calculation of Transaction Size	Calculation Formula	Transaction Size
Net tangible assets (NTA) criteria	= Baht 12,731.39 million ^{1/} / Baht 85,857.38 million ^{2/}	14.83%
Connected transaction size: Transaction 2		14.83%
Total transaction size of 3 connected transactions (Transaction 1: 3.76% and Transaction 3: 1.24%)		19.83%

Remark:

- 1/ Comprising of (a) an acquisition price of the Lannatique Destination Project (PCC, PS2, and KCC) of Baht 3,448 million, (b) an additional payment of 5% p.a., compounded on the unpaid balance, pertaining to the condition on share sale and purchase in Year 5, of Baht 781.15 million (the actual amount of the additional payments in (b) depends on the period of decision-making on investment in the Remaining Shares, which can be made through either a single purchase or multiple acquisitions), and (c) a project development cost of Baht 8,502.24 million (inclusive of VAT).
- 2/ Net tangible assets of the Company = Total assets of Baht 172,437.29 million - Net intangible assets of Baht 299.64 million - Deferred tax assets of Baht 1,319.02 million – Total liabilities of Baht 84,961.25 million, based on the Company's audited consolidated financial statements for the year ended December 31, 2023.

7) Conditions on the Entering into the Transaction

The Company and/or its subsidiaries shall enter into the asset acquisition and connected transactions after the 2024 Annual General Meeting of Shareholders, which will be held on April 26, 2024, approves the entering into the proposed asset acquisition and connected transaction with affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interest.

The Purchasers of PCC Ordinary Shares, the Purchasers of PS2 Ordinary Shares, and the Purchasers of KCC Ordinary Shares shall acquire ordinary shares of PCC, PS2, and KCC from the Sellers of PCC Ordinary Shares, the Sellers of PS2 Ordinary Shares, and the Sellers of KCC Ordinary Shares when all conditions precedent specified in the PCC, PS2, and KCC Share Purchase Agreement are completely fulfilled and/or waived by contract parties concerned. Conditions precedent and other significant conditions are as follows:

- (a) **The shareholders' meetings** of the purchasers of shares of the Lannatique Destination Project (the Purchasers of PCC Ordinary Shares, the Purchasers of PS2 Ordinary Shares, and the Purchasers of KCC Ordinary Shares) approve the development of the Lannatique

Destination Project and the compliance with the Lannatique Destination Project Share Purchase Agreement.

- (b) There is no material adverse effect on PCC, PS2, and KCC or business operation of the Lannatique Destination Project.
- (c) The sellers of the Lannatique Destination Project (the Sellers of PCC Ordinary Shares, the Sellers of PS2 Ordinary Shares, and the Sellers of KCC Ordinary Shares) have sold and transferred ownership rights in any property or assets of PCC, PS2, and KCC.

8) Agreements Related to the Entering into the Transaction

Summary of PCC, PS2, and KCC Share Purchase Agreement is in Clause **9.1.2** of the Information Memorandum Concerning the Asset Acquisition and Connected Transactions of the Company under Schedule 2 (Enclosure No. 4) enclosed with the notice to shareholders' meeting.

Transaction 3: Additional Payment for the Shares to Acquire the Rights to Invest in the OP Garden Project

Principles and Rationales

The Company has analyzed investment opportunities to expand its business in line with its growth strategy and to generate cash flow by leveraging its strengths in project management and development. Recognizing that the riverside area along the Chao Phraya River is a significant tourist destination and a strategic point for Bangkok, it sees potential in becoming a leading destination for arts and cultural tourism in the country through the development of quality hotels, particularly in the Charoen Krung Road area. This area is an important economic district with a rich history, art, culture, restaurants, beverages, street food, and shopping malls.

The Company has a plan to connect AWC's business group in the area, which includes The Plaza Athenee Nobu Hotel and Spa Bangkok and Nobu Hotel Bangkok, to meet the diverse lifestyles and tourism needs of tourists. It aims to make the riverside area along the Chao Phraya River a destination **for tourism under the concept of "The Journey of A River", aligning with AWC's investment strategy** to collaborate and help propel the Charoen Krung area into a luxury tourism hub at the regional level, elevating Thailand's tourism industry. This initiative is intended to continuously generate cash flows for the Company while fostering sustainable growth, enhancing operational strategies, creating business outcomes, and strengthening AWC's customer base.

Background

The Annual General Meeting of Shareholders of the Company on April 20, 2020 approved the **investment in AWC Charoenkrung Asset Company Limited ("ACA")** (formerly named as "Asiatic Hotel Collection Company Limited") in order to develop the Asiatique The Riverfront Extension Project, under the condition that the Seller of ACA Ordinary Shares³¹ **have to transfer the OP Garden Project (ACA's asset)** out of ACA.

Consequently, the Company received the approval from the 2022 Annual General Meeting of Shareholders on April 22, 2022 **to invest in Imm Hotel Charoenkrung Company Limited ("Swan Project")** in order to develop into Nobu Hotel Bangkok. This emphasizes the importance of developing the OP Garden Project, which locates in the same area, as a continuous project for maximum benefit of the Company.

On May 11, 2023, the Company and its subsidiary acquired all 1,850,000 ordinary shares of ACA, representing 100% of total shares of ACA, from the Sellers of ACA Ordinary Shares. However, the Sellers of ACA Ordinary Shares did not transfer the OP Garden Project out of ACA as the Company has studied the investment and wishes to acquire the OP Garden Project. The acquisition price of ACA that the Company paid to the Sellers of ACA Ordinary Shares on May 11, 2023 did not include value of assets relating to the OP Garden Project.

Therefore, the Company has to make additional payment for assets relating to the OP Garden Project in order to complete the transaction (under this transaction, the Company shall not acquire any additional shares of ACA but shall have the full ownership in the OP Garden Project under ACA).

1) Date of the Transaction

The Company and/or its subsidiaries will enter into Transaction 3 after it obtains the approval from the 2024 Annual General Meeting of Shareholders of the Company, which will be held on April 26, 2024. Such transaction and all related transactions are expected to be carried out by April 26, 2024.

It is expected that the development of the OP Garden Project shall commence in Q3/2024 and begin full-scale operations by Q4/2027.

2) Contract Parties and Relationship with the Company

Transaction 3: The OP Garden Project	
Investors	: The Company and/or its subsidiaries
Sellers	: ACA's existing shareholders, comprising of (1) TCC Capital Land Company Limited, (2) Muang Kao Company Limited, and (3) Phanthamaitree Company Limited
Relationship between purchasers and sellers	: Similar to Transaction 1 and Transaction 2

³¹ Consisting of (1) TCC Capital Land Company Limited, (2) Muang Kao Company Limited, and (3) Phanthamaitree Company Limited.

3) General Characteristics of the Transaction

The Company and/or its subsidiaries will make an additional investment by paying Baht 440.00 million for shares of AWC Charoenkrung Asset Company Limited (ACA) (formerly named as Asiatic Hotel Collection Company Limited), a subsidiary of the Company, to the existing shareholders of ACA,³² to obtain the development rights of the OP Garden Project, comprising of land and constructions on a total area of 0-3-90 rai and the leasehold rights of land of 0-0-76.6 rai (20-year lease period from January 1, 2008 to December 31, 2027).

The Company will develop the OP Garden Project into a 60-room luxury hotel that will be connected to the adjacent Nobu Hotel Bangkok (Charoen Krung 36 – 38) and the Plaza Athenee Nobu Hotel and Spa Bangkok (Charoen Krung 40) in line with the plan to connect **projects under AWC's** business group in Charoen Krung 36 – 40 area together. The aim is to develop the areas on the bank of the Chao Phraya River into a tourist destination under "The Journey of A River" concept to cater for the high-end target group. The development of the OP Garden Project will commence in Q3/2024 and is scheduled for opening by Q4/2027.

The Company plans to use funds for development of the OP Garden Project (including interest on loan during project development) in the amount of Baht **623.40** million (inclusive of VAT), making up a total investment payable by the Company and/or its subsidiaries of Baht **1,063.40** million (inclusive of VAT). It is expected to commence operations in Q3/2024 and fully operational by Q4/2027.

The entering into Transaction **3** (including Transaction **1** and Transaction **2**) above is in accordance with the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated June 7, 2019 and Memorandum for the Amendment to the Right Granting Agreement between the Company and Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi dated August 13, 2019.

4) Details of the Assets Being Acquired

The Company and/or its subsidiaries will obtain the rights to develop the OP Garden Project, with details of the assets and project as follows:

4.1) Key Assets of the OP Garden Project

The key assets of the OP Garden Project are the ownership of land and constructions on a total area of 3-0-90 rai and leasehold rights of 0-0-76.6 rai. The market value assessed by the Independent Property Appraiser approved by the SEC is Baht 452.00 million. Details of the key assets are as follows:

• Land and constructions on a total area of 0-3-90 rai

Key Information of Land and Constructions	
Location of land and constructions	<p><u>Asset Group 1: Virtually vacant land</u> No. 4, 6 next to Charoen Krung 36 (Soi Rong Phasi), Charoen Krung Road, Bangrak Sub-district, Bangrak District, Bangkok</p> <p><u>Asset Group 2: Leasehold rights of a 2-storey commercial building</u> No. 2, 1236, and 1238 next to the corner of Charoen Krung Road and Charoen Krung 36 (Soi Rong Phasi), Bangrak Sub-district, Bangrak District, Bangkok</p> <p><u>Asset Group 3: Leasehold rights of a 2-storey house</u> No. 46 next to Charoen Krung 36 (Soi Rong Phasi), Bangrak Sub-district, Bangrak District, Bangkok</p> <p>Close to the following landmarks:</p> <ul style="list-style-type: none"> - 110 m. from French Embassy - 280 m. from Central Post Office Building - 250 m. from Mandarin Oriental Hotel Bangkok - 250 m. from Oriental Pier
GPS coordinates	Lat 13.725373 , Long 100.515903
Land size and land characteristics	<p>3 contiguous plots of land with a total area of 3-1-28 rai, comprising of:</p> <p><u>Asset Group 1: Virtually vacant land</u> A plot of land under the title deed No. 2287, parcel No. 738, dealing file No. 557, with an area of 0-3-90 rai. The land plot is in rectangular shape, with the frontage adjacent to Charoen Krung Soi 36 (Soi Rong Phasi) (2-lane concrete road) with an approximate length of 30 m. The land has been filled and leveled to the same level as the surface of the frontage road. Currently, the land is the location of commercial buildings, wooden houses, a 2-storey house, and other structures, which the Company will not utilize.</p>

³² Consisting of (1) TCC Capital Land Company Limited, (2) Muang Kao Company Limited, and (3) Phanthamaitree Company Limited.

Key Information of Land and Constructions	
	<p><u>Asset Group 2: Leasehold rights of a 2-storey commercial building</u> Part of land under the title deed No. 2290, parcel No. 737, with an area according to the title deed of 0-2-30 rai, The leased land, according to the Building Lease Agreement, covers an area of 0-0-20.60 rai. The land plot is in rectangular shape, with the frontage adjacent to Charoen Krung Road (4-lane concrete road) with an approximate length of 13 m., and adjacent to Charoen Krung Soi 36 (Soi Rong Phasi) (2-lane concrete road) with an approximate length of 12.9 m. The land has been filled and leveled to the same level as the road surface. Currently, it is under a Lease Agreement for a period of 20 years, expiring on December 31, 2028. There are currently 4 years and 361 days remaining on the lease term (as at the appraisal date of January 5, 2024).</p> <p><u>Asset Group 3: Leasehold rights of a 2-storey house</u> Part of land under the title deed No. 2315, parcel No. 751, with an area according to the title deed of 1-3-8 rai. The leased land, according to a Building Lease Agreement, covers an area of 0-0-56 rai. The land plot is in polygonal shape, with the frontage adjacent to Charoen Krung Soi 36 (Soi Rong Phasi) (2-lane concrete road) with an approximate length of 15 m. The land has been filled and leveled to the same level as the road surface. Currently, it is under a Lease Agreement for a period of 20 years, expiring on December 31, 2028. There are currently 4 years and 361 days remaining on the lease term (as at the appraisal date of January 5, 2024).</p>
Details of the constructions	<p><u>Asset Group 2: Leasehold rights of a 2-storey commercial building</u> These include 3 units of 2-storey adjacent commercial buildings with dimensions of 16 x 14 m. and a total floor area of approximately 165.00 sq.m. The buildings are approximately 100 years old and are in fair condition. They are currently utilized as a shopping center under the name "O.P. Garden".</p> <p><u>Asset Group 3: Leasehold rights of a 2-storey house</u> These include a 2-storey house with dimensions of 12 x 11.2 m. and a total floor area of approximately 448.00 sq.m. The building is approximately 80 years old and is in fair condition. It is currently utilized as a shopping center under the name "O.P. Garden".</p>
Owners of land and constructions	<p><u>Asset Group 1: Virtually vacant land</u> Asiatic Hotel Collection Company Limited</p> <p><u>Asset Group 2 and Asset Group 3</u> A juristic person with no relationship with the Company</p>
Encumbrance	<p><u>Asset Group 1: Virtually vacant land</u> None</p> <p><u>Asset Group 2 and Asset Group 3</u> Under Lease Agreements for 20 years, starting from January 1, 2008, with Asiatic Hotel Collection Company Limited. Currently, there are 4 years and 361 days remaining on the lease term as at the appraisal date (January 5, 2024).</p>
Legal impact on the assets ^{1/}	<p>The land is located in the commercial zoning area (Red Phor. 5-6) according to the Bangkok Comprehensive Plan 2013 (B.E. 2556). Pursuant to the regulations regarding the use of land in Red Zone, the assets can be utilized as a hotel with no more than 80 rooms, subject to the following land use ratio restrictions:</p> <ol style="list-style-type: none"> 1) Floor Area Ratio (FAR) must not exceed 10:1 and FAR bonus of up to 20% is granted to any building with an area reserved for public benefit or public park or a green building, etc. 2) Open Space Ratio (OSR) must not less than 3% with a green area of not less than 50% of the vacant space <p><i>Remark: Currently, the area of Bangkok is undergoing study and the drafting of the city plan (4th revision). According to the draft map specifications, it is found that the location of the land falls within the "Red Zone" (Area Phor.8 - 6), designated for "commercial" land use according to the draft city plan for Bangkok (4th revision). However, the aforementioned draft has not yet been officially enforced. Information from the Urban Planning Division of the Bangkok Metropolitan Administration suggests that the draft plan is expected to be enforced around 2024.</i></p> <p>Other restrictions: - Bangkok Metropolitan Administration Regulations on Building Control B.E. 2544: The property is located in "Zone 3" as defined in the Bangkok Metropolitan Administration Regulations regarding the designation of restricted construction, alteration, or change of use of certain types or categories of buildings in certain areas within the jurisdiction of Bangkok Metropolitan Administration B.E. 2548 (retail and wholesale commercial buildings).</p>
Appraised value of land	<p>Knight Frank Chartered (Thailand) Company Limited evaluated value of Asset Group 1 at Baht 429.00 million (using the Market Comparison Approach), value of Asset Group 2 and Asset Group 3 at Baht 8.60 million and Baht 14.4 million, respectively (using the Profit Rent Method). The total value of the assets equal to Baht 452.00 million, appraised on January 5, 2024, for public purposes.</p>

Source: The Property Appraisal Report No. VL/mk/R0006/2024 dated January 24, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark: 1/ The Company undertakes the design of building layouts and construction in project development within the constraints of land use regulations as per relevant laws.

Figure 14: Land Title Deeds of the OP Garden Project (Transaction 3)

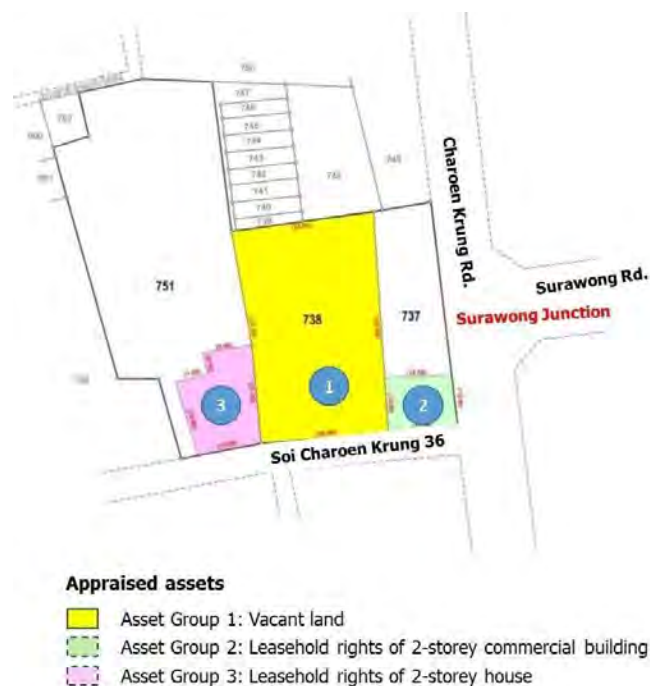


Figure 15: Aerial Photos of the OP Garden Project (Transaction 3)



Source: Property Appraisal Report No. VL/mk/R0006/2024 dated January 24, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

4.2) Development Plan for Luxury Hotel Project in the Charoen Krung **36 - 40** Area and The Journey of A River Plan

Overview of the development plan

The OP Garden Project will be part of the luxury development project in the Charoen Krung 36 - 40 area and the Journey of A River plan.

The Company will renovate and develop into a 60-room luxury hotel and plans to connect to other projects **under the Company's business group, which include The Plaza Athenee Nobu Hotel and Spa Bangkok and the Nobu Hotel Bangkok**, located in adjacent areas, to meet the diverse lifestyles and tourism of tourists. It will also create the area along the Chao Phraya River as a tourism destination under the concept "The Journey of A River", aligning with AWC's investment strategy to collaborate and

push the Charoen Krung area towards a luxury tourism center in the region and elevate Thailand's tourism. This will generate consistent cash flows for the Company while promoting sustainable growth, selling operational strategies, and strengthening AWC's customer base. It is expected to commence operations around Q4/2027.

Figure 16. Current Condition of Assets of the OP Garden Project (Transaction 3)



Overview of the development plan for the Charoenkrung 36 - 40 luxury project

The Company plans to develop Charoen Krung 36 - 40 area to create a luxury hotel project. It aims to preserve the cultural heritage of the community through architecture and art. This concept revolves around a journey through time from classical art to contemporary relevance. The projects under development include the classic-style EAC project on Charoen Krung 40, under the name The Plaza Athenee Nobu Hotel and Spa Bangkok, the contemporary-style OP Place Project on Charoen Krung 38, and the Swan Project on Charoen Krung 36, under the name Nobu Hotel Bangkok. These projects cut across both styles, supporting each other's activities, including the OP Garden Project on Charoen Krung 36, which will also be connected to them, creating a continuous development area in the same vicinity, as follows:

Figure 17: Location of the Company's Luxury Projects in Charoenkrung 36 – 40 Area



(1) Nobu Hotel Bangkok: Transform the OP Place Project on Charoen Krung 38 from retail space into a luxurious hotel, in collaboration with the Swan Project located nearby on Charoenkrung 36, in which the Company's business group holds land ownership rights. The plan is to develop a luxury hotel emphasizing upscale tourism, alongside cultural and art tourism. It will blend classic and contemporary

architectural styles, incorporating both European classical art and the exquisite beauty of modern Thai architecture. The Company will preserve the original OP Place building while constructing a new lifestyle hotel on the land of the Swan Hotel. Therefore, Nobu Hotel Bangkok will consist of a total of 95 guest rooms.

- OP Place is a 3.5-storey luxury hotel under the original classic architecture of the OP Place building with 26 deluxe guest rooms, spa, Michelin-starred restaurant, tea room, bar, lobby, and event spaces.

- The Swan Project is a 7-storey lifestyle luxury hotel, aimed at promoting upscale tourism in the contemporary modern architectural style, with a total of 69 guest rooms. The project also includes 3 underground parking levels accommodating 99 vehicles. The space is divided into Level 1: lobby, restaurant, onsen spa, retail outlets, gallery, and activity area; Levels 2 to 6: 69 guest rooms; and Level 7: rooftop facilities including a swimming pool (running along the length of the building), pool bar, fitness center, and unique garden space. The estimated investment for the project (excluding land price) is approximately Baht 579.00 million (inclusive of VAT). Nobu Hotel Bangkok is expected to commence operations in Q3/2026.

(2) The Plaza Athenee Nobu Hotel and Spa Bangkok: In developing the EAC (East Asiatic Company) Project on Charoen Krung **40**, situated along the Chao Phraya River near the Oriental Pier, **on land owned by the Company's group, the Company is refurbishing the** 3-storey old white Venetian Renaissance-style building (East Asiatic Building) aged over 100 years, to become a luxury hotel under the name The Plaza Athenee Nobu Hotel and Spa Bangkok, which will blend world-class brand (Plaza Athenee) renowned for its unique luxurious experience, and Nobu Hospitality, a globally renowned luxury lifestyle brand. The hotel's design will seamlessly integrate the simplicity of modern style with classic European architecture.

The hotel will continue to preserve the original structure and art of the East Asiatic Building, established in 1884 by Captain Hans Niels Andersen, a Danish sea captain, to convey the rich historical trading relationship between the Danish and Siamese people at that time. This allows everyone to access and take pride in this historical area, while creating long-lasting value for the surrounding community.

In addition, the hotel will feature a classic luxury riverside style, offering exceptional expertise in food and beverage and excellent service. It will also connect the experience of the new era of history from the past to the present through the stories of the city and valuable buildings, to the modern lifestyle. Moreover, it will have the Chao Phraya River connecting various waterfront projects of AWC, **providing impressive experiences for guests under the concept "The Journey of A River", combining the** rich cultures of the West and the East, creating a new dimension for the tourism industry and enhancing the charm of Bangkok as a global tourist destination.

The Plaza Athenee Nobu Hotel and Spa Bangkok will consist of approximately 50 rooms, comprising of 12 standard rooms and 38 boat suites. It will also feature a total of 3 restaurant, café, and bar. It is anticipated to have a lounge area capable of hosting various events and will serve as the centerpiece of AWC's Chao Phraya River Journey Projects. It is expected to commence operations in 2025 with an estimated investment of approximately Baht 1,539 million (inclusive of VAT). Additionally, the Company is exploring the feasibility of offering overnight luxury river cruises on the Chao Phraya River, allowing customers to experience the history of Bangkok and north of Ayutthaya, catering primarily to luxury tourist groups.

Moreover, leveraging the unique features of the area and the architectural design of the buildings, the Company aims to provide upscale event venues, utilizing the accommodations of the Nobu Hotel Bangkok (the Swan Project and the OP Place Project), and the OP Garden Project to accommodate some of the event attendees. Each project will complement one another to enhance the overall event experience.

(3) OP Garden Project (an extension of the Nobu Hotel Bangkok Project)

Developed into a 60-room luxury hotel, it seamlessly integrates with The Journey of A River experience, offering a private ambiance enveloped by greenery within a private garden. The hotel aims to evoke a homely feel, with accommodation designed more like residences than hotel rooms. It focuses on incorporating the warm elements of a home into its services, blending seamlessly with the luxury and world-class service of a top-tier hotel, while providing meticulous attention to detail and care.

The OP Garden Project comprises of a 7-story above-ground hotel building with 3 underground parking levels. The total constructed area is approximately 8,127 sq.m., which can be divided into:

- 3 underground levels of parking space for a total of 70 vehicles
- Levels 1 - 2: lobby lounge and bar

- Levels 2 - 6: 60 guest rooms with private garden spaces
- Level 7: rooftop facilities including a swimming pool, pool bar, and unique garden area
- The investment for the project (excluding land price) is approximately Baht 623.40 million (inclusive of VAT). The total building area is approximately 8,127 sq.m., comprising of 3,716 sq.m. for guest rooms, 177 sq.m. for restaurants and bars, 262 sq.m. for recreational area, 1,460 sq.m. for central and service area, and 2,512 sq.m. for systems and parking area.

The Company wishes to extend the Land Lease Agreement with the Lessor (the Crown Property Bureau). However, if it is unable to do so, the operation and development of the OP Garden Project shall not be affected as the 2-storey commercial building, car park building, and residential building located on the lease land are not under the project development plan.

Project Development Timeline

It is expected that the development of the project will commence within Q3/2024 and will take approximately 3 years and 3 months to complete. It is anticipated to commence operations in Q4/2027.

Figure 18 – 19: Conceptual Overview of the OP Garden Project



Target Groups

High-income Thai and foreign customers seeking the ultimate luxurious experience from luxury hotels, which offer a private and homely experience, blending classic and contemporary styles, for couples, groups of friends, families, and businesspeople.

5) Total Value of Assets being Acquired, Payment of Consideration, and Criteria for Determining Total Value of Assets being Acquired and Value of Consideration

5.1) Total Value of Assets being Acquired

The total value of assets acquired in this transaction amounts to approximately Baht 1,063.40 million. This includes additional payment for ACA ordinary shares to acquire development rights for the OP Garden Project, in accordance with the criteria and conditions specified in the ACA Share Purchase Agreement and additional amendments. The assets used for the development of the OP Garden Project include land and constructions on a total area of 0-3-90 rai and leasehold rights of 0-0-76.6 rai, with an

estimated value of approximately Baht 440.00 million. The total investment for the development of the OP Garden Project is approximately Baht 623.40 million (inclusive of VAT).

5.2) Payment of Consideration

The Company will pay for the additional ACA ordinary shares to the sellers in cash, totaling approximately Baht 623.40 million (inclusive of VAT). This will be financed through borrowing from financial institutions by ACA and paid in installments as actually incurred.

5.3) Criteria for Determining Total Value of Assets being Acquired and Value of Consideration

The Company and/or its subsidiaries will pay Baht 440.00 million for the additional ACA ordinary shares to obtain the development rights of the OP Garden Project (comprising of land and constructions and leasehold rights of land for development of the OP Garden Project) (*Please refer to details in Part 1, Transaction 3, Clause 4.1 of this report*). The acquisition price is based on the assessed value of the land and constructions. The criteria used in determining value of the land, treated as virtually vacant land, is the Market Comparison Approach, while value of the leasehold rights is calculated using the Profit Rent Method, based on the Property Appraisal Report dated January 24, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited, a SEC-approved property appraiser, with a market value of the property totaling Baht 452.00 million.

ACA plans to use funds for development of the project (including of interest on loan during project development) in the amount of Baht 623.40 million (inclusive of VAT). Thus, the total amount that the Company and/or its subsidiaries shall pay is Baht 1,063.40 million. From the Company's study of the project development and projected return on investment, the OP Garden Project has a net present value (NPV) of Baht 288.20 million with the internal rate of return (IRR) of 11.9% p.a.

6) Calculation of Transaction Size

Asset acquisition transaction (Transaction 3)

Criteria for Calculation of Transaction Size	Calculation Formula	Transaction Size
1. Net tangible asset (NTA) criteria	Not applicable because ACA has a negative net tangible assets <u>Remark:</u> When combining with size of Transaction 2 according to the NTA criteria, total transaction size will equal to 0.62%. Size of Transaction 1 cannot be calculated because 38D has negative net tangible assets.	-
2. Net profit criteria	Not applicable because ACA generated operating losses <u>Remark:</u> Transaction 1: 0.44%; Transaction 2: Not applicable because PCC, PS2, and KCC generated operating losses	-
3. Total value of consideration criteria	= Baht 1,063.40 million ^{1/} / Baht 172,437.29 million ^{3/} <u>Remark:</u> When combining with size of Transaction 1 – Transaction 3, total transaction size is equal to 9.87% (size of Transaction 1 – Transaction is equal to 1.87% , 7.38% , and 0.62% , respectively).	0.62%
4. Total value of securities criteria	Not applicable because there is no issuance of new securities as consideration of assets acquired	-
Highest criteria: total value of consideration (Transaction 3)		0.62%
Highest transaction size of the 3 transactions based on total value of consideration criteria		9.87%
Highest transaction size of the 3 transactions, including transactions during the past 6 months		10.62%

Remark:

- 1/ Comprising of (a) an additional payment of Baht 440.00 million for ACA ordinary shares to obtain development rights of the OP Garden Project, and (b) an investment of Baht 623.40 million (inclusive of VAT) for the development of the OP Garden Project.
- 2/ Total assets of the Company according to the audited consolidated financial statements as of December 31, 2023.

Connected transaction (Transaction 3)

Criteria for Calculation of Transaction Size	Calculation Formula	Transaction Size
Net tangible assets (NTA) criteria	= Baht 1,063.40 million ^{1/} / Baht 85,857.38 million ^{2/}	1.24%
Connected transaction size: Transaction 3		1.24%
Total transaction size of 3 connected transactions (Transaction 1 : 3.76% and Transaction 2 : 14.83%)		19.83%

Remark:

- 1/ Comprising of (a) an additional payment of Baht 440.00 million for ACA ordinary shares to obtain development rights of the OP Garden Project, and (b) an investment of Baht 623.40 million (inclusive of VAT) for the development of the OP Garden Project.

2/ Net tangible assets of the Company = Total assets of Baht 172,437.29 million - Net intangible assets of Baht 299.64 million - Deferred tax assets of Baht 1,319.02 million – Total liabilities of Baht 84,961.25 million, based on the Company's audited financial statements for the year ended December 31, 2023.

7) Conditions on the Entering into the Transaction

The Company and/or its subsidiaries shall enter into asset acquisition and connected transactions after the **Company's 2024 General Meeting of Shareholders, which will be held on April 26, 2024**, approves the entering into the proposed asset acquisition and connected transactions with affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interest.

8) Agreements Related to the Entering into the Transaction

Summary of ACA Share Purchase Agreement is in Clause 9.1.3 of the Information Memorandum on Asset Acquisitions and Connected Transactions of the Company under Schedule 2 (Enclosure No. 4) **enclosed with the notice to shareholders' meeting.**

1.2 Sources of Funds for the Entering into the 3 Transactions

The Company's source of fund for the projects is borrowings from financial institutions in the total amount of approximately Baht 4,886.00 million, of which the Company has already been granted credit line from financial institutions with no collateral required for such loans. Furthermore, the amount of such loans is adequate to accommodate the additional payment of 5% (if any).

Regarding the payment for shares of 38D, PCC, PS2, and KCC, the Company has set the investment structure that it will purchase 18% of shares in the first tranche, and has the rights to **purchase the remaining 82% shares within 5 years from the date on which the shareholders' meeting** of the Company approves the entering into the transactions, subject to the additional payment of 5% p.a., compounded on the unpaid balance. In this regard, the Company shall be able to determine the timing of investment in the Remaining Shares of 38D, PCC, PS2, and KCC as deem appropriate, providing the flexibility in investment management, by taking into consideration its liquidity and cash flows from the projects. **Currently, the Company's average borrowing cost is around 3.80% p.a.**

Initially, 38D, PCC, PS2, and KCC will use loans from financial institutions to finance the project development (the Company is currently under the consideration of loan conditions and selection of financial institutions) which may require fixed assets of 38D, PCC, PS2, and KCC as collateral. The Company believes that 38D, PCC, PS2, and KCC will obtain an adequate amount of credit lines for development of the projects.

ACA will use loans from financial institutions to finance the project development. The Company shall consider the loan condition that provide maximum benefit to the Company and believes that it will obtain an adequate amount of credit lines for development of the projects.

The Company expects that payment for such asset acquisition will not affect its liquidity and working capital since it has adequate cash and cash flow from operation.

(Please refer to details of credit line for the transactions in Part 2, Clause 4.1 Re: Sufficiency of Source of Funds for the Transactions)

1.3 Conditions on the Entering into the 3 Transactions

The Company and/or its subsidiaries shall enter into asset acquisition and connected **transactions after the Company's 2024 General Meeting** of Shareholders, which will be held on April 26, 2024, approves the entering into the proposed asset acquisition and connected transactions with affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interest.

The Company and/or its subsidiaries must comply with conditions on the entering into transaction as described in Transactions 1 – Transaction 3 mentioned earlier.

1.4 Connected Persons and/or Shareholders who have Conflict of Interest and are not Eligible to Vote

List of connected persons and/or shareholders who have conflict of interest and are not eligible to vote on **Agenda 7 Re: "Consider and approve the entering into transactions regarded as the asset**

acquisition and connected transactions of the Company” for Transactions 1 – Transaction 3 at the Company’s 2024 Annual General Meeting of Shareholders, which will be held on April 26, 2024, is presented in Clause 10 of the Information Memorandum Concerning the Asset Acquisitions and Connected Transactions of the Company under Schedule 2 (Enclosure No. 4) enclosed with the notice to the Annual General Meeting of Shareholders.

2. Information of 38 Development Company Limited, which is the asset being acquired under Transaction **1**
Please refer to Attachment 1 of this report
3. Information of The Plaza Chiangmai Company Limited, which is the asset being acquired under Transaction **2**
Please refer to Attachment 2 of this report
4. Information of Permsub Siri 2 Company Limited, which is the asset being acquired under Transaction 2
Please refer to Attachment 3 of this report
5. Information of Kalare Chang Klan Chiangmai Company Limited, which is the asset being acquired under Transaction 2
Please refer to Attachment 4 of this report
6. Overview of Thailand Tourism and Hotel Industry
Please refer to Attachment **5** of this report

Part 2: Opinion of the Independent Financial Advisor on Reasonableness of the Asset Acquisition Transactions and the Connected Transactions

In determining the reasonableness of the transaction, the Independent Financial Advisor takes the following important factors into consideration:

1. Objective and Necessity of the Transactions

Overview of the entering into the 3 transactions

The Company has operated as a holding company by holding shares in other companies which operate real estate business to comprehensively cater to the current lifestyle in Thailand, under the support of TCC Group. The Company is both the owner and developer of the real estate projects covering 2 core businesses: (1) hospitality business and (2) retail and commercial buildings business consisting of retail and wholesale properties as well as office buildings and mixed-use properties.

The Company therefore plans to constantly develop a variety of property projects to create consistent and sustainable cash flow and add value to its long-term investment, which will ultimately lead to sustainable growth. The Company also has devised business strategy,³³ as follows:

Figure 20: Goals and Operational **Strategies of the Company's Group**



The Company is continuously supported by TCC Group (Group of Companies of the Grantors, namely Mr. Charoen Sirivadhanabhakdi) for its hospitality business, retail and commercial buildings business, and mixed-use properties business. As TCC Group owns a large land bank in Thailand, the **Company is able to access TCC Group's quality land and real estates in prime locations. It has been granted the right to purchase certain real estates from TCC Group for future project development under the Right Granting Agreement dated June 7, 2019 (and the amendments), which will greatly support its expansion plan. More projects are expected for future development which will further enhance the Company's growth potential.**

In 2019 – 2023, the Company has consistently invested in assets and various projects that are promising for development. The investments have been made in assets from the TCC Group and the third parties.³⁴ This includes investment plans as disclosed in future projects and Memorandum of Understanding with companies within TCC Group, as specified in the IPO Prospectus of the Company in **2019. The Company's real estate projects are sited in Thailand's prominent business and tourism areas.** All of its properties in the hospitality sector can be found in the popular business and tourism destinations all over the country such as Bangkok, Chiang Mai, Phuket, Hua Hin, Surat Thani (Samui Island), and Krabi. The Company has teamed up with a number of leading international hoteliers through a global networking group whose membership have risen continuously, from more than 400 million in 2019 to

³³ The strategy has been adopted by the Company since 2019 and been reviewed/adjusted in tandem with its growth. Shareholders can review the details of such strategy in Form 56-1 for 2023 of the Company.

³⁴ This is an investment in (a) the completely developed project such as the Gateway Ekamai Project and renovation of Hotel Plaza Athenee New York and (b) land and/or leasehold rights for project development such as the Asiatique The Riverfront Extension Project, Pattaya Mixed-use Retail and Hotel Development Project, Woeng Nakhon Kasem Project, 8 Rai Lasalle Project, OP Place Project, EAC Project, The Imperial Golden Triangle Resort Project, Song Wat 1 Project, Song Wat 2 Project, Swan Project, and Lhong 1919 Project.

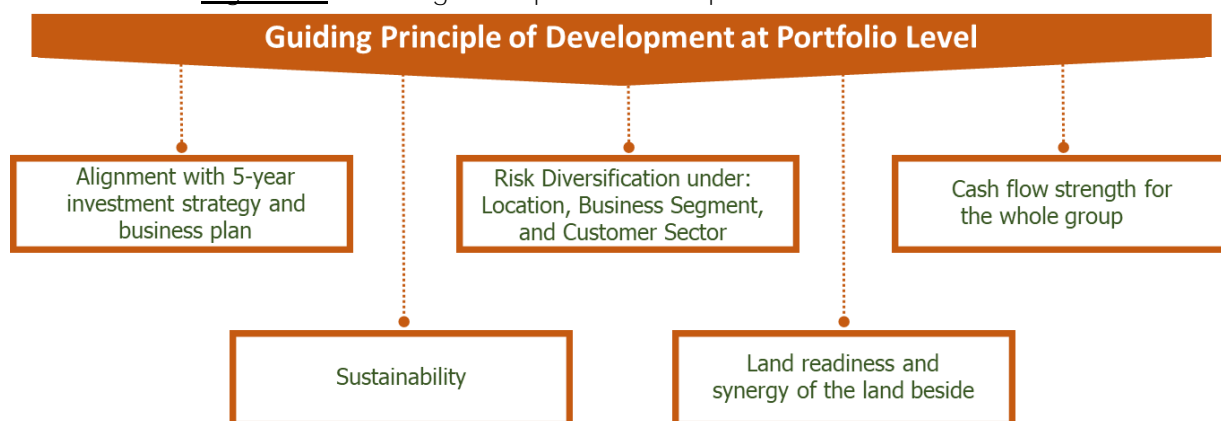
over 588 million in 2022, a surge of 47%. They include, among others, Marriott International Inc., InterContinental Hotels Group (IHG), Hilton, Banyan Tree, Melia, Okura, Accor, and Nobu Hospitality, whose loyal customers have purchasing power that is 1.5 times higher than that of general customers, thus enabling the Company to expand its sales channel and access a financially sound customer base.

For the hospitality business, the Company positions the marketing of each hotel specifically to meet the needs of the target customer group under the leading hotel brands (Branded Residence). Additionally, the Company has strategies for the retail and wholesale commercial buildings business to support commercial activities (retail and wholesale) in various formats, focusing on Thai consumers and tourists through various retail formats, ranging from lifestyle tourist destinations to community malls. There are plans to improve various projects to offer new and unique experiences to customers.

Starting from 2024 onwards, the Company will continue to have guidelines for managing properties that are promising and viable for investment to expand its business in line with its growth strategy, focusing on generating cash flow from its strengths in managing and developing the Company's projects, while aligning with its investment criteria and framework. Some of the properties are under the ownership of the TCC Group.

Therefore, in order to continuously develop projects in the future, as well as to manage investment portfolios in the long term, diversify revenue sources, maintain consistent cash flow, and strengthen AWC's customer base, the Company is considering executing Transaction 1 - Transaction 3. These investments align with the rights to purchase under the Right Granting Agreement dated June 7, 2019. Additionally, this is aimed at integrating projects within AWC business groups in various potential areas, aiming to establish significant landmarks for the Company as key tourist destinations. This investment will increase the number of rooms and the proportion of luxury and upper upscale hotels, as well as commercial areas, in various locations within the Company's portfolio. These investments will continue to adhere to the Company's long-term investment criteria as follows:

Figure 21: Guiding Principle of Development at Portfolio Level



2. Comparison of Advantages and Disadvantages of the Transaction

Transaction 1: Acquisition of Ordinary Shares in 38 Development Company Limited in order to Acquire Leasehold Rights for the Development of the Sukhumvit 38 Hotel Project

2.1 Advantages and Benefits of the Transaction

(1) The transaction can support the Company's ongoing growth, which will help to expand its cash flow and quality portfolio in the long term and lead to its sustainable growth

Under its property development plan and business strategy described in Part 2, Clause 1 above, the Company will continuously invest in various real estate development projects covering all prime locations and customer needs. The consistent growth in its portfolio and performance results from its continuous investment since 2019. Thus, as of the end of 2023, the Company owns a large number of hospitality business and retail and commercial buildings businesses that could drive its sustainable growth. Additionally, there are several projects currently under development.

Therefore, the entering into of all 3 transactions will enable the Company to acquire land and constructions, as well as leasehold rights of land, for the development of luxury hotels (Transaction 1 and Transaction 3), and the mixed-use properties projects, which includes hotels, shopping center, and entertainment space (Transaction 2). These projects will be located in new or contiguous locations with

existing projects and/or projects currently under development by the Company's group, to accommodate customers with medium to high purchasing power. This will increase the opportunity for EBITDA growth, leading to long-term value creation and sustainable growth for the company.

The asset being acquired from Transaction 1 is a 60-year leasehold rights of a plot of land, starting from the completion date of construction. The Company will develop it into a luxury hotel managed by the globally renowned hotel brand (the Company's first project in the Sukhumvit 38 area). The project is expected to commence its service in Q3/2028, resulting in a steady cash flow and returns on investment. Additionally, it will contribute to EBITDA growth, leading to sustainable and continuous value creation for the Company in the long term.

(2) It is the management of the overall hospitality investment portfolio by increasing number of guest rooms and ratio of upper upscale and luxury hotels in the Company's portfolio

Through continuous investment in the hospitality business to develop the Company's portfolio to be suitable in various locations in business cities and popular tourist destinations in Thailand, and to accommodate the lifestyle of each customer group, by the end of 2023, the Company's group had a total of 5,979 rooms, of which 1,147 rooms were in 6 luxury hotels with a total of 1,147 rooms (19.18% of the total rooms) as follows:

Commercially Operated Hotels and Resorts	Hotel Management	Location	Year of Grand Opening	No. of Rooms	No. of Restaurants	RevPAR Index	
						2021	2022
(a) Luxury hotels and resorts							
(a-1) Luxury resorts							
Banyan Tree Samui Hotel	Banyan Tree	Samui Island, Surat Thani	2010	88	5	79%	125%
Banyan Tree Krabi Hotel	Banyan Tree	Krabi (Tubkaek Beach)	2020	72	4	208%	184%
Vana Belle, A Luxury Collection Resort, Koh Samui	Marriott International, Inc.	Samui Island, Surat Thani	2013	79	4	124%	147%
(a-2) Luxury hotels							
The Athenee Hotel Bangkok	Marriott International, Inc.	Bangkok	2000	374	8	146%	102%
The Okura Prestige Bangkok	Okura Hotel and Resort	Bangkok	2012	240	5	103%	118%
InterContinental Chiang Mai The Mae Ping	IHG	Sridonchai, Chiang Mai	2023	294	7	-	-
Equivalent to 19.18% of total guest rooms of the Company				1,147	33		

Source: The Company

The Company's projects under development (luxury hotels) by 2027 are as follows:

Hotels under Development	Hotel Management	Location	Target Date of Opening	No. of Rooms
Luxury hotels				
Banyan Tree Jomtien Pattaya	Banyan Tree	Jomtien Beach, Pattaya, Chonburi	2025	79 villas and 100 rooms
Intercontinental Chiang Rai Golden Triangle Resort and Kimpton Chiang Rai Golden Triangle	IHG	Chiang Saen District, Chiang Rai	2026	32 villas and 65 suites
JW Marriott The Pattaya Beach Resort & Spa	JW Marriott	Pattaya, Chonburi	2026	398
JW Marriott Branded Residence	JW Marriott	Pattaya, Chonburi	2026	202
Song Wat 1 Project and Song Wat 2 Project	The Ritz-Carlton	Song Wat Road, Chakkrawat Sub-district, Samphanthawong District, Bangkok	2026	89
InterContinental Bangkok Chinatown	IHG	Chakkrawat Road, Chakkrawat Sub-district, Samphanthawong District, Bangkok	2027	332
Projects in Charoen Krung 36 - 40 area				
The Plaza Athenee Nobu Hotel and Spa Bangkok (EAC Project (East Asiatic Hotel))	Nobu Hospitality	On the bank of the Chao Phraya River, near the Oriental Pier, Charoen Krung 40 Road	2025	50 (12 standard rooms and 38 cruise ship rooms)
Nobu Hotel Bangkok (OP Place Project combined with Swan Hotel Project)	Nobu Hospitality	Charoen Krung 38 and Charoen Krung 36 Road	2025 - 2026	69 rooms (Swann Hotel Project) + 24 - 28 rooms (OP Place Project)

Remark: Information is subjected to change.

The entering into the 3 transactions is the development of hotels in the luxury and upper upscale categories. Each establishment will focus on unique concepts and cater to the needs of the target customer group, which consists of customers with relatively high to medium-high income levels seeking

increased convenience, with full services and complementary services. The total number of hotel rooms, therefore, increases to 852, whereby:

- The luxury hotel rooms increase by **470** rooms from (a) **242** rooms of the Sukhumvit **38** Hotel Project, (b) **168** rooms of the Lannatique Kalare Project, and (c) **60** rooms of the OP Garden Project.
- The upper upscale hotel rooms increase by **382** rooms from (a) **85** rooms of the Lannatique The Plaza Project (totaling 187 rooms, when combined with rooms of the adjacent 102-room dusitD2 Chiang Mai (which is the asset of the Company)) and (b) **297** rooms of the Lannatique Bazaar Project.

It is expected that the Company will begin to recognize room revenue and service fees in its consolidated financial statements around Q4/2027 from the OP Garden Project, which is the first project.³⁵ This is during a period when international tourism and domestic purchasing power have been gradually recovered from the impact of the COVID-19 pandemic and expectedly approaching levels seen prior to the outbreak in 2024 - 2025. In addition to various policies implemented by the government to stimulate tourism such as the visa-free policy, which initially started with 5 countries (China, Kazakhstan, India, Taiwan, and Russia), as well as permanent policy on visa waiver between Thailand and China. If the policy is successful, there may be a trend to increase the number of target countries. There is also an idea to support tourism within the ASEAN countries under a single visa, similar to the Schengen visa.

According to STR Inc.'s report, the occupancy rate of luxury hotels in Thailand is predicted to return to the pre-pandemic level in 2025, or equal to 71% in 2019 which was the year before COVID-19 outbreak, and the number of tourist arrivals will rebound to the pre-COVID-19 level in the next 4 years from 2021, or by 2025.

The factors that support the growth of luxury hotels, including upper upscale hotels, in Thailand include:

- Thailand still remains as the major destination and among the top of the bucket list of international travelers. Upon the easing of COVID-19 situation, Thailand will certainly be the destination seeing the return of international visitors.
- Bangkok remains one of the most popular cities in the world, attracting significant interest from international tourists. It ranked as the top city worldwide in terms of visitor arrivals in 2023 with 22.78 million international visitors, averaging a stay of 4.7 nights and an average daily expenditure of USD 173. (Source: *www.travelness.com*, which uses data from *Mastercard's Global Destinations Cities Index*)
- The workation (work + vacation) trend induces international travelers to work from anywhere and opt for Thailand as their workation destination since Thailand has a low cost of living (compared to income base) and is home to an abundance of stunning natural attractions.
- Tourists having high purchasing power and choosing to stay at luxury hotels (including upper upscale hotels) likely are the group that has been least affected by the economic downturn triggered by COVID-19 pandemic and/or other events and will potentially be the first to recover and revisit the country.
- Thailand not only serves as one of Asia's leading destinations for tourism but also as a hub for life and business growth. The government has introduced long-term visas (Retirement Visa) for foreigners, such as (a) Long-stay visas (O-A and O-X)³⁶ and (b) Long term Resident Visa (LTR Visa),³⁷ encouraging high-potential foreigners to choose Thailand as a second home. This initiative stimulates the real estate sector and

³⁵ Other projects will recognize revenue based on their shareholding proportion at that time, as the Company and/or its subsidiaries have the rights to invest in the remaining shares of **38D**, **PCC**, **PS2**, and **KCC** until reaching **100%** by April **25**, **2029** (a **5**-year period from the date the Company receives approval from the shareholders' meeting, which may involve a single purchase or multiple acquisitions). The Sukhumvit **38** Hotel is expected to commence its service in Q3/2028 and the Lannatique Kalare Project - Hotel is expected to commence its service in Q4/2030.

³⁶ A Long-stay visa, also known as a retirement visa, has been consistently popular. Those holding an O-A visa (a one-year visa allowing residence in Thailand for all nationalities) and an O-X visa (a 10-year visa for relaxation) must be citizens holding passports from 14 countries. Eligible applicants must be 50 years old or above and comply with conditions set by the Department of Consular Affairs, Ministry of Foreign Affairs. They must report to authorities every 90 days when residing in the kingdom of Thailand.

³⁷ The Long-Term Resident Visa (LTR Visa) is a new type of long-term visa designed for high-potential foreign nationals who wish to reside in Thailand for a long-term. It is expected to stimulate investment and economic development within the country. The LTR Visa allows holders to live and work in Thailand for up to 10 years and offers various benefits, and is divided into 4 categories: (a) Wealthy Global Citizens, (b) Wealthy Pensioners, (c) Work-from-Thailand Professionals, and (d) Highly-Skilled Professionals.

various businesses, including retail, international schools, hospitals, and tourism services, contributing to economic growth, job creation, and income distribution within communities.

(Source: STR Inc., Department of Consular Affairs, Ministry of Foreign Affairs, www.axa.co.th, and others)

Therefore, the entering into Transaction **1** (including Transaction **2** and Transaction **3**) is considered as the management of the hospitality investment portfolio by increasing number of guest **rooms and ratio of luxury hotels, including upper upscale hotels, in the Company's portfolio in prime locations**. This will help diversify revenues to luxury hotels which cater to the clientele with high purchasing power who are least affected by the economic condition and are ready to use the services upon the easing of difficult situations.

(3) The Company will acquire a large parcel of land in prime location with business potential, which currently is difficult to find in that area that is suitable for hotel development and can be leveraged uniquely for each location, and which will continuously generate cash flow, EBITDA, and income for the Company in the long term

The land, constructions, and leasehold rights of land and constructions acquired in this instance (Transaction 1 – Transaction 3) are located in prime locations with potential for hotel development, including a large-scale mixed-use project (Transaction 2), in line with the Company's direction. They can be integrated with the Company's current projects, as well as future project development plans, which **will generate continuous cash flow and income for the Company's group. Each plot of land has its own unique strengths** depending on its location and can generate different benefits.

The acquisition of leasehold rights of land under Transaction **1**, which will be used for the development of the Sukhumvit **38** Hotel Project, located in the heart of Sukhumvit Road and connecting to the Thong Lo area, adjacent to Sukhumvit Road, Soi Sukhumvit **38**, and the BTS Skytrain station entrance and exit, with a total area of **2-0-18** rai, is considered a challenging acquisition.³⁸ In addition, the land is of a suitable size for developing a project that ensures investment returns.

The aforementioned land has the advantage of its prime location, whereby:

- There is frontage area along the main road, Sukhumvit Road, and it is adjacent to the entrance and exit of the BTS Skytrain (Green Line) at Thong Lo Station, allowing access by car and large-scale public transportation systems. It is close to the Thong Lo - Sukhumvit Midtown area, known for its high-end residential and entertainment districts, with connections to Ekamai Alley, the large-scale shopping mall zone around Phrom Phong, and access to high-end business areas along Sukhumvit Road, Rama **1** Road, Ratchadamri Road, Ratchaprarop Road, Silom Road, and Sathorn Road, providing convenient access to such areas.

The advantage also includes connections to various locations throughout Bangkok via mass transit rail networks at various interchange points, such as the MRT Blue Line (Chaloem Ratchamongkhon Line) and the MRT Purple Line (Charansanitwong Line).

- On the other side, the area adjoins Soi Sukhumvit 38, where the atmosphere inside the alley is residential, providing a quiet environment despite being in the heart of the city. It is possible to access smaller lanes connecting to Sukhumvit Soi 40 and further through to Rama 4 Road, providing easy access to expressways.

Furthermore, the Company plans to connect with other future projects in Sukhumvit Soi **38**, focusing on luxury projects to align with the lifestyle and environment within Sukhumvit Soi **38**.

- Thong Lo - Sukhumvit Midtown (linking 2 major roads, Sukhumvit Road and the New Phetchaburi Road) boasts significant highlights, such as:
 - It is a high-end residential area and a zone with high security, known as an affluent neighborhood with a long history. The residents are predominantly high-level executives, making condominiums located in this area highly sought-after by both Thai buyers and expatriates, particularly the Japanese.
 - It is a lifestyle hub, serving as a center for both business and premium lifestyle. It features a variety of international restaurants, Japanese-style shopping outlets,

³⁸ The land along Sukhumvit Road is utilized for both commercial and residential purposes, with condominiums, hotels, and shopping centers scattered throughout the area. Almost all of the land plots along Sukhumvit Road have been developed, and even the undeveloped plots are owned by private entities awaiting development. (Source: Property Appraisal Report No. **1241011001**, dated February 16, 2024 prepared by CBRE (Thailand) Company Limited)

community malls, supermarkets, fashion stores, entertainment venues, and renowned beauty clinics, catering comprehensively to all lifestyles.

- It is a high-end entertainment district and a hangout spot for young professionals, featuring nightlife activities that make Thong Lo almost active **24** hours a day.
- It is a prime location for office buildings available for lease, catering to both service businesses and commercial centers (an extension of the CBD), ranging from small to large sizes. Most of these are occupied by large companies with high capital.
- Additionally, Thong Lo is like a home away from home for Japanese residents in Thailand, where
 - As of 2021, Thailand ranks fourth in the world for having the highest number of long-term Japanese residents living abroad, following the United States, China, and Australia.
 - Bangkok is the city with the **world's** second-highest number of registered long-term Japanese residents living abroad.
 - Thong Lo, Phrom Phong, and Sukhumvit are areas where long-term Japanese residents living abroad choose to reside the most, ranking as the top choice in Bangkok. This includes high-level executives, professionals, families, Japanese students in international schools and universities, as well as long-term Japanese tourists staying in residential accommodations. The majority of Japanese residents in Thailand can be found in Bangkok, Chonburi, and Chiang Mai.

(Source: the Company)

The Sukhumvit **38** Hotel Project has highlights that will contribute to generating continuous cash flows, EBITDA, and revenue for the Company in the long term, as follows:

- The Company has analyzed investment opportunities and recognized potential in the Sukhumvit **38** Hotel Project, located at the entrance of Sukhumvit Soi **38**, adjacent to the BTS Skytrain Thong Lo Station, in the heart of Sukhumvit Road. This area is one of the most important business and tourist centers in Bangkok, surrounded by numerous facilities that attract both Thai and international residents, particularly Japanese, along with convenient transportation options.
- The Company therefore plans to develop the Sukhumvit **38** Hotel Project to meet the needs of luxury travelers and businessmen. It will offer comprehensive facilities, emphasizing sustainability, art, and modernity. The Company plans to collaborate with world-class partners to meet market demands in the Thong Lo area and strengthen the hotel portfolio, which is strategically aligned with AWC's growth strategy to accommodate high-end clientele.
- The Sukhumvit **38** Hotel Project will be a luxury hotel with **242** rooms (room sizes ranging from **42** to **280** sq.m.), renowned restaurants, Michelin-starred international dining, private meeting rooms, exclusive lounges, and comprehensive health and wellness programs such as personalized health programs for long-term guests, rooftop swimming pool and bar, pool bar parties, and a spa that integrates health programs, onsen, and wellness.

Figure 22: Conceptual Overview of the Sukhumvit 38 Hotel Project



Therefore, this location meets the needs of the Company's desire to develop a luxury hotel that focuses on health and the first oasis in Thong Lo under the concept of "Holistic Wellness". This aims to provide a hotel stay and comprehensive health services integrated with natural surroundings amidst the hustle and bustle of the Thong Lo district and urban lifestyle. It caters to high-purchasing power customer groups, allowing connections between relaxation and activities within the accommodation, potentially extending the length of stay, which will generate continuous cash flow and revenue for the Company in the long run.

(4) It is the investment in projects with long-term leasehold rights and under favorable conditions

The leasehold rights for the Sukhumvit 38 Hotel Project have a total duration of 60 years, starting from the day after the completion of construction. These rights consist of two consecutive 30-year contracts. The leasehold rights have been registered, rent has been fully paid, and development of the project can commence immediately. The Company plans to start project development by the end of 2024 and expects to commence the service by Q3/2028. Additionally, 38D, as the lessee, can use the leasehold rights as collateral for loan.

Therefore, this allows the Company's group to develop the project immediately, generating revenue and realizing operating performances throughout the 60-year lease term. These favorable conditions enable the Company's group to fully utilize the assets invested under the Sukhumvit 38 Hotel Project without worrying about renegotiating lease contract renewals, providing benefits to the Company's group.

(5) The enlargement of the Company's size of business leads to higher operating income and increase of performing assets that can generate more revenue in the long run

Investment in Transaction 1 shall increase the Company's total assets from investment in 38D by approximately Baht 998.00 million.³⁹

According to the consolidated financial statements as of December 31, 2023, the Company's total assets amounted to Baht 172,437.29 million. After the investment in and development of the project until the completion in Q3/2028 (with the Company and/or its subsidiaries investing in common shares of 38D, PCC, PS2, and KCC, in full by April 2029), the Company's business scale will increase. Its total assets are expected to increase to approximately Baht 173,435.29 million,⁴⁰ excluding assets **generated from the Company's other ongoing projects, which** are still under development and operation. These assets are considered as long-term revenue generators and continuously contribute cash flow to the Company.

Furthermore, after the project commences operation, the Company will generate additional revenue, which will help expand the business scale, cash flow, and capital base for developing new potential projects in the future.

2.2 Disadvantages and Risks of the Transaction

(1) The Company will incur higher debt obligations, interest expenses, and debt to equity (D/E) ratio

The investment value of Transaction 1 is approximately Baht 3,229.30 million, comprising of (a) the acquisition price of ordinary shares of 38D totaling approximately Baht 998.00 million (the Company will pay Baht 179.64 million on April 26, 2024 (the date on which the shareholders' meeting of the Company approves the entering into the transaction), with the remaining amount to be paid over 5 years), (b) additional payment of 5% p.a., up to a maximum of approximately Baht 226.10 million, and (c) investment for project development totaling approximately Baht 2,005.20 million (inclusive of VAT), which 38D will gradually repay during the project development period from 2025 to 2028. Initially, 38D will borrow funds from financial institutions.

Considering the overview of all 3 transactions, the Company and/or its subsidiaries will need to invest the total maximum amount of approximately Baht 5,893.25 million for the acquisition of ordinary shares of 38D, PCC, PS2, KCC, and additional shares of ACA, along with additional payment of 5% p.a.,

³⁹ Excluding the development cost of approximately Baht 2,005.20 million (inclusive of VAT) incurred by 38D since the conditions in the long-term Land Lease Agreement stipulating that upon completion, the buildings and constructions shall become the lessor's property after a period of 3 years and 6 months from the completion of construction.

⁴⁰ When combining 3 projects (Transaction 2 and Transaction 3), the Company's total assets would increase by Baht 186,448.93 million. The Company and/or its subsidiaries will utilize loans from financial institutions for the investment in these projects.

compounded on the unpaid balance for the remaining shares of 38D, PCC, PS2, and KCC. The investment funds for project development for all 3 projects would be approximately Baht 11,130.80 million (inclusive of VAT).

In this case, the source of funds for investing in the acquisition of ordinary shares of 38D, PCC, PS2, KCC, and additional shares of ACA, as well as the additional payment in this transaction, will come from borrowing from financial institutions in Thai baht. This borrowing is part of the unused loan facilities of the Company (not subject to drawdown restrictions and does not affect the funding for other projects). Therefore, this investment will increase the Company's debt burden and financial costs, resulting in an increase in the debt to equity ratio (D/E Ratio) and the interest-bearing debt to equity ratio (IBD/E Ratio). The Company will consider the financial ratios related to debt service capability accordingly.

According to the consolidated financial statements as of December 31, 2023, the Company had total liabilities of Baht **84,961.25** million and shareholders' equity of Baht **87,476.04** million. The debt to equity ratio was 0.97 time, and the interest-bearing debt to equity ratio was 0.90 time, which are the ratios that allow the Company to incur additional debt for investment. In addition, the debt service coverage ratio (DSCR) and interest coverage ratio (ICR) are equal to 3.04 time, meeting the conditions of the loan agreement with financial institutions, which stipulate a minimum of 2 times.

Considering the overview of all 3 transactions as if the Company paid all investments at once, the Company would have maximum additional debt from the projects equal to approximately Baht 17,024.05 million (including the liabilities of 38D, PCC, PS2, KCC, and ACA incorporated into the Company's consolidated financial statements). Therefore, after completing these transactions, if calculated based on the aforementioned financial statements and without considering future performance,⁴¹ the financial ratios would still comply with the financial covenants of the financial institutions (*the actual ratios will depend on the financial data at the time of closing, during which the Company will split the payment for ordinary shares of 38D, PCC, PS2, and KCC into 2 parts, and during the project development period for 38D, PCC, PS2, KCC, and ACA between 2025 - 2030*), as follows:

Financial Ratio	Prior to the Entering into the Transaction (Based on 2023 Financial Statements)	After the Entering into the Transaction				Financial Covenants According to Current Loan Agreement with Financial Institutions
		Transaction 1	Transaction 2	Transaction 3	Total 3 Transactions	
D/E ratio	0.97 time	1.01 times	1.12 times	0.98 time	1.17 times	-
Interest-bearing D/E ratio	0.90 time	0.95 time	1.08 times	0.92 time	1.13 times	Not exceed 1.5 times, based on consolidated financial statements of the Company
Debt Service Coverage Ratio (DSCR) and Interest Coverage Ratio (ICR)	3.04 times	2.89 times	2.53 times	2.99 times	2.40 times	At least 2 times, and other conditions ^{1/}

Remark:

1/ Under such loan agreement, the Company is obligated to fulfill the conditions such as maintenance of financial ratios, maintenance of control in the group of family-owned businesses, and maintenance of shareholding percentage in the Company and/or its subsidiaries. The Company is also subjected to certain restrictions such as the Company and/or its subsidiaries must not transfer, dispose, rent, or incur encumbrances on the assets of the Group of Companies, unless such encumbrances are required by law or under the normal course of business.

The increased interest-bearing debt to equity will not exceed the threshold specified in financial covenants, which is set at the maximum of **1.5** times. Taking into account its current financial structure, the Company is still able to raise additional debt to finance the investment in/development of other projects.

(2) Risks involved with property development and business operation which may cause the project to fail to achieve the expected performance

(2.1) Risk arising from competition among hotels in the nearby area

When considering luxury and upper upscale hotels in the Sukhumvit area and nearby districts, there are 4 hotels with approximately 968 rooms in total, which cater to high-end tourists and Japanese guests, similar to the Sukhumvit 38 Hotel Project. In addition, they are also situated close to various shopping venues and BTS stations. Direct competitors in the luxury segment include InterContinental

⁴¹ The results of the capital increase for the bonus scheme in the form of ordinary shares allocated to executives and employees of the Company and/or its subsidiaries under the AWC Share Plan 2020 have not been considered, as it is a gradual allocation of shares over a period of 5 years.

Bangkok Sukhumvit, while direct competitors in the upper upscale hotels with lifestyle features include Hotel Nikko Bangkok, Madi Paidi Bangkok, Autograph Collection, and Bangkok Marriott Hotel Sukhumvit, each with their own unique strengths as follows:

Hotel	No. of Rooms / Segment	Location and Target Group
InterContinental Bangkok Sukhumvit	241 / luxury	<u>Location</u> : Sukhumvit 59 Road, Watthana District, Bangkok <u>Target group</u> : Domestic and international tourists, and business travelers, especially Japanese businessmen
Hotel Nikko Bangkok	301 / upper upscale	<u>Location</u> : Sukhumvit 55 Road, Watthana District, Bangkok <u>Target group</u> : Japanese, tourists, and business travelers
Madi Paidi Bangkok, Autograph Collection	56 / upper upscale	<u>Location</u> : Sukhumvit 53 Road, Watthana District, Bangkok <u>Target group</u> : Digital nomad, domestic and international travelers for business and leisure (solo, couples, group of friends, and families)
Bangkok Marriott Hotel Sukhumvit	370 / upper upscale	<u>Location</u> : Sukhumvit 57 Road, Watthana District, Bangkok <u>Target group</u> : Domestic and international travelers, couples, and families

Source: the Company and each hotel's website

(2.2) Risk potentially arising from reliance on the target groups which mostly are international tourists with high purchasing power

Approximately 70% of the main target group of the Sukhumvit 38 Hotel Project is international customers who have high purchasing power, covering customers ranging from the middle to high income brackets who seek both business and leisure travel, with accommodation preferences aligned with their own activity schedules, while the 30% balance is local customers, including expatriates. This indicates **heavy reliance on a particular group of customers to the extent that it may adversely affect the project's** operating performance given that there is any incident hindering international travels and/or the countries of origin caution/prohibit their citizens from travelling to Thailand, as well as incidents that dramatically affect travel and tourism worldwide.

(2.3) Risk potentially arising from cost overrun

As the Company plans to develop the Sukhumvit 38 Hotel Project by constructing a new 29-storey building above ground and 2 basement, along with adjusting the landscape and interior aesthetics of the area, it has already assessed the construction costs and overall project development costs. These costs take into consideration inflationary expenses throughout the construction and project development period. However, the Company has not yet finalized detailed construction designs or contracted construction contractors. The actual construction costs may not align with the initial estimates, potentially resulting in cost overruns, or if the Company makes changes to the designs, either entirely or partially, it could also lead to additional costs.

The Company is confident that, based on its experience in development and supervision of construction of the previous real estate projects, the employment of contractors, and the centralized procurement of materials and equipment, it is capable of forecasting cost and controlling the total development and construction cost to be within the budget while meeting the quality required by the Company even though the construction is outside the principal areas of the Company. Moreover, if the contract is made on a turnkey basis, the risk of cost overrun could be mitigated.

(2.4) Risk concerned with application for relevant permits such as the EIA approval, construction permit, building modification permit, hotel business license

The Company will have to apply for all approvals necessary for the development and modification of properties, including the permits for business operation, which will involve a lengthy consideration process. These include the preparation of an Environmental Impact Assessment (EIA) Report and the application for construction permit, building modification permit, hotel business license, and the approval from other concerned authorities. Since the Sukhumvit 38 Hotel Project involves with the demolition of old building and construction of a new 29-storey building in the same compound to offer hotels of 80 guest rooms or more with a total usable area of **4,000** square meters or more, the EIA report is required. Presently, the Company does not file for any application. It shall proceed after **the Company receives an approval from this shareholders' meeting.**

(3) Risk incidental to the past tax burden of 38D

The legal due diligence of 38D by Weerawong, Chinnavat & Partners Limited was conducted only on the current cases at the Central Tax Court, the Civil Court, the Thonburi Civil Court, the South Bangkok Criminal Court, the Thonburi Criminal Court, the Central Labor Court, the Intellectual Property and International Trade Court, the Central Bankruptcy Court, the Administrative Court, and the Legal Execution Department. From such legal due diligence, there are no court cases, disputes, or other legal proceedings that have not been finalized.

The Company may still be prone to risk incidental to the past tax burden of 38D since no tax due diligence of 38D is conducted because it is an asset-holding company (leasehold rights) and has no core business operation. However, the Sellers of 38D Ordinary Shares have provided the representation and warranty and also specified the liability for such tax in the Draft 38D Share Purchase Agreement. There is also a condition that the Purchasers of 38D Ordinary Shares must notify the Sellers of 38D **Ordinary Shares of the liability for any damage caused by the Sellers of 38D Ordinary Shares' breach of** the representation and warranty within 12 months from the date of sale and purchase of the first 18% shares (if any). Therefore, once the Company has acquired the 38D shares, it should thoroughly review all risks and notify the Sellers of 38D Ordinary Shares of its request in writing within 12 months from the date of sale and purchase of the first 18% shares (if any).

Transaction 2: Acquisition of Ordinary Shares in **3** Companies in order to Acquire Land and Leasehold Rights of the Property for the Development of the Lannatique Destination Project

2.3 Advantages and Benefits of the Transaction

(1) The transaction aligns with the overall business strategy and development plan of the Company, which will lead to the creation of added value for investments in the long term and sustainable growth for the Company

- *Details are the same as those in Part 2, Transaction 1, Clause 2.1 (1) -*

The assets being acquired under Transaction 2: the Lannatique Destination Project include land, constructions, and leasehold rights of land and constructions on Chang Khlan Road, at the heart of Night Bazaar, Chiang Mai. Such assets are ready to be developed into a large-scale mixed-use property projects under the Company's operational plan, consisting of 3 hotels, a shopping center, retail commercial space, lifestyle market, arts entertainment complex, and indoor amusement park (water park). This will result in consistent returns on investment for the Company, as well as contribution to EBITDA growth, leading to long-term value creation and sustainable growth for the company.

(2) It is the investment portfolio management through development of a large mixed-use project which will diversify revenue to cover both core business groups of the Company

- *The same details as those in Part 2, Transaction 1, Clause 2.1 (2) -*

At present, the operating income **of the Company's group** comes mainly from 2 business groups, i.e. (1) hospitality business and (2) retail and commercial buildings business, consisting of retail and wholesale properties as well as office buildings. Revenue from these 2 sectors account for **67.43%** and **32.57%** of total operating revenue in 2019, respectively, and **47.92%** and **52.08%** of total operating revenue in 2020, respectively. *(In 2020, each business was affected by the COVID-19 outbreak. The hospitality business suffered a drop in the number of international visitors due to restrictions on tourist arrival, along with the measure for inter-provincial travel ban. Meanwhile, the retail and commercial buildings business was impacted by rental reduction for some tenants.)* Details are as follows:

Operating income (Unit: Baht million)	2019 (Reclassified)		2020		2021 (Reclassified)		2022 (Reclassified)		2023	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>Hospitality business</i>										
Revenues from hospitality business	8,692	67.43	2,867	47.92	1,770	39.99	6,436	67.52	10,175	74.26
<i>Retail and commercial buildings business</i>										
Revenues from retail and commercial building business	4,198	32.57	3,116	52.08	2,657	60.01	3,096	32.48	3,526	25.74
Total operating revenue	12,890	100.00	5,983	100.00	4,427	100.00	9,532	100.00	13,701	100.00
% of total revenue		97.01%		97.50%		96.68%		98.99%		97.62%

Source: The Company

The entering into Transaction 2: the Lannatique Destination Project enables the Company to generate income from both business groups. The Company will increase its hotel room count by 550 rooms (if including the development of the project on adjacent area of 102-room dusicD2 Chiang Mai, total room count will add up to 652 rooms). Additionally, there will be an increase in retail space for lease, which will contribute to an additional Net Leasable Area (NLA) of approximately 28,577 sq.m.⁴², generating additional revenue for the hospitality business and the retail and commercial buildings business. It is expected that the Company will begin to recognize revenue from accommodation fees, services, and leasing of space in the Lannatique Destination Project in the Company's consolidated financial statements from Q1/2028 onwards (under the assumption that the Company will invest in all ordinary shares of PCC during the opening of each project, which is within Q1/2028, invest in all ordinary shares of PS2 and KCC when they reach 5-year term, which is within April 25, 2029).

Therefore, the entering into Transaction 2: the Lannatique Destination Project is the investment portfolio management through development of a large mixed-use project which will diversify revenue to cover both core business of the Company and help to mitigate risk from heavy reliance on income from any single business.

⁴² When combining both projects (Transactions 1 and Transaction 2), the NLA will increase by approximately **36,412** sq.m., bringing the total NLA to approximately **202,221** sq.m. and the number of guest rooms will increase to **5,336** rooms from the end of 2020.

(3) The Company will acquire a large parcel of land in prime location with business potential, which currently is difficult to find in that area and is adjacent to the land belonging to the Company and suitable for developing large-scale Mixed-Used Project, and which will be used to support the operation and continuously generate cash flow, EBITDA, and income for the Company in the long term

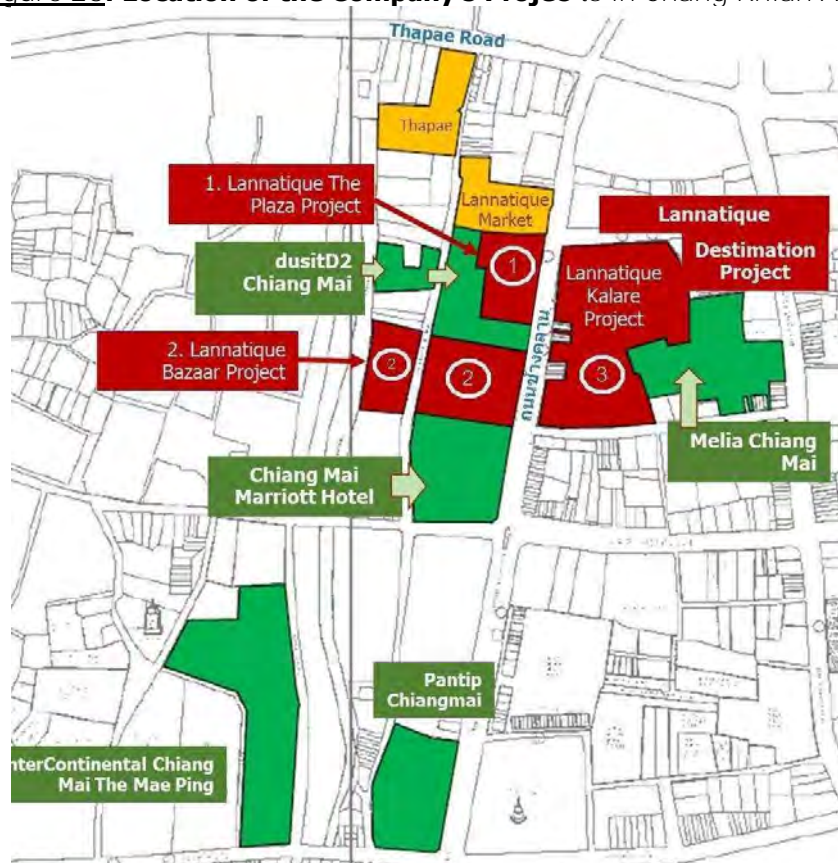
- Details are the same as those in Part 2, Transaction 1, Clause 2.1 (3) -

The plots of land for development of the Lannatique Destination Project (comprising of the Lannatique The Plaza Project, the Lannatique Bazaar Project, and the Lannatique Kalare Project) are located on the main road, Chang Khlan Road, which has long been a famous tourist spot in downtown Chiang Mai and is linked to Thapae Road and Charoen Prathet Road. It is difficult to procure or acquire the ownership and leasehold rights of land with development potential in this area. Under this transaction, the Company is able to acquire a large parcel of land that is next to the land already owned by the Company for development of new projects which will be linked to and can support its existing nearby projects. This will help to build a growth foundation with large-scale projects in Chiang Mai with **the existing assets of TCC Group, which aligns with the Company's long-term investment criteria**, while depriving other operators of the opportunity to acquire the high potential land.

The aforementioned land has the advantage of its prime location, whereby

- The land is located in Chang Khlan area, which is the old-CBD and an important economic center of Chiang Mai. Nestled in the area are popular markets such as Warorot Market (Kat Luang) and Kat Ton Lamyai, which are home to consumer goods and souvenirs, wholesale/retail markets and trading areas, numerous five-star hotels, government offices, and several famous schools, thus making Chang Khlan a bustling area and a top tourist destination.
- The area is the location of Chiang Mai Night Bazaar, Kalare Night Bazaar, Chang Khlan Road, tourist spots, and center of souvenirs and local products, with the famous nightlife of Chang Khlan area, which has **long been one of Chiang Mai's top destinations for both local and international visitors to the city**. The Company can develop its projects by building upon the **city's long history and reputation alongside its operation and projects, instead of starting over in new areas**.

Figure 23: **Location of the Company's Projects** in Chang Khlan Area



- The plots of land of the Lannatique Destination projects are situated on both sides of Chang Khlan Road and are adjacent to the land belonging to the Company that has already been developed and commercially operated, as follows:
 - Lannatique The Plaza Project is close to dusicD2 Chiang Mai, which is located on Thapae Soi 1 Road, whereas the Lannatique The Plaza Project is on Chang Khlan Road (which is the main road in Night Bazaar area). By linking the 2 projects together, they can be accessed from Chang Khlan Road and Thapae Soi 1 Road, which is connected to Thapae Road via a land owned by the Company.
In addition, it is located adjacent to the prominent night market with a vibrant lifestyle and is another highly renowned destination in the Night Bazaar area, locating approximately **300 m.** from the Thapae land. Both plots are freehold properties of the Company.
 - Lannatique Bazaar Project is adjacent to Chiang Mai Marriott Hotel and can be linked to the Lannatique The Plaza Project via the servitude land, thereby combining them into a large land plot in the old-CBD with a total area of approximately **20-0-18 rai**,⁴³ which can accommodate continuous project development along the right side of Chang Khlan Road, covering more than 289 m. in length.
 - Some parts of land of the Lannatique Kalare Project, totaling 21-2-9 rai, are situated along the left-hand side of Chang Khlan Road, with a length of over 238 meters, and adjacent to Charoen Prathet Soi 1, which is 120 meters long and can connect to Charoen Prathet Road and further to Thapae Road.
The Lannatique Kalare Project can be linked to other projects of the Company, namely (a) Lannatique the Plaza Project and Lannatique Bazaar Project, including Chiang Mai Marriott Hotel, dusicD2 Chiang Mai, and the Lannatique Market Project which are on the opposite side, and (b) Melia Chiang Mai (formerly Pornping Tower Hotel), with Kalare Night Bazaar (a part of the Lannatique Kalare Project) at its rear and Charoen Prathet Road at its front. Thus, the Company will possess contiguous plots of land stretching from Thapae Soi 1 Road to Chang Khlan Road and Charoen Prathet Road.
- Moreover, Chiang Mai is the second largest city after Bangkok and is home to a variety of natural attractions, famous handicrafts, local arts and culture, which are valuable resources, **including hotels, lodgings and tourism activities to fulfill tourists' diverse needs, and an international airport that caters to both domestic flights and direct international flights.** Thus, Chiang Mai is well prepared for Thai tourism growth and the center of the MICE (Meetings, Incentives, Conferences, and Exhibitions) industry.

Therefore, this location meets the needs of the Company to develop the Lannatique Destination Project as a large-scale mixed-use property in the heart of Chiang Mai. It will connect with existing projects and the land owned by AWC's business group, located in adjacent and contiguous areas. Additionally, it leverages the popularity of Night Bazaar and Chang Khlan area, which are favorite tourist destinations, to attract the target group of the project to use various services, including accommodation options with different concepts, social gatherings, dining, shopping, and more. This will generate cash flow, EBITDA, and recurring income for the Company in the long term.

(4) The project has an attractive selling point as it will feature the first large mixed-use project in Chang Khlan area, consisting of hotels, retail mall, commercial space, and an arts and culture exhibition zone, which will become Chiang Mai's and Thailand's new landmark

The Company plans to develop the Lannatique Destination Project into a large-scale mixed-use project in the Chang Khlan and Night Bazaar areas of Chiang Mai, which have long been renowned as popular nighttime tourist destinations in the city of Chiang Mai, in order to make it a destination for tourists visiting the Chang Khlan and Night Bazaar areas and to encourage repeat visits to Chiang Mai every time they visit the province. Additionally, it aims to serve as a meeting point for locals and expatriates who use Chiang Mai as a base for work and to accommodate the MICE industry. The project is developed with the concept of becoming a destination for art inspired by Lanna art, culture, and over 700-year history. This will be combined with contemporary design to make the Lannatique Destination

⁴³ Comprising of the Lannatique The Plaza Project, Lannatique Bazaar Project, dusicD2 Chiang Mai, Chiang Mai Marriott Hotel, and the land of Lannatique Market Project.

Project a sustainable art hub imbued with luxury. The layout and building structures are designed to comply with relevant land use regulations.⁴⁴

The Lannatique Destination Project is a mixed-use property divided into **3** sub-projects: Lannatique The Plaza Project, Lannatique Bazaar Project, and Lannatique Kalare Project. It is constructed on a total area of **30-2-41.7** rai, which includes:

(a) **3** hotels with **3** different styles: a luxury hotel featuring a water park and indoor amusement park, an upper upscale hotel with a Japanese-inspired ambiance and luxurious accommodations, including onsen and full amenities, managed under the Nobu brand; and another upper upscale hotel targeting families and MICE groups, also managed under an upper upscale hotel brand, to be an extension of the Chiang Mai Marriott Hotel, decorated in a contemporary modern style, incorporating arts **that reflect the stories and the Lanna people's way of life in the past within its rooms;**

(b) The area for a lifestyle market and art market, an arts entertainment center, and crafts from across the Northern region, known as The Craft Village;

(c) The shopping center that features both luxurious zones in collaboration with global partners and rental space for retail stores and supermarkets; and

(d) The theme park, in collaboration with a global partner, includes a water park within the hotel. There are currently no amusement parks or water parks in the city center of Chiang Mai that is surrounded by various tourist attractions in diverse styles, making it another significant selling point of the project.

Therefore, it can be considered that the Lannatique Destination Project has selling points both in terms of its location and the components of the project that will attract tourists and cater to the diverse needs of the target groups. The Company aims to make the Lannatique Destination Project a new lifestyle destination for Chiang Mai Province, which will be a new landmark for tourism in Chiang Mai and Thailand. Additionally, it aims to be a sustainable global tourism destination.

(5) The Lannatique Destination Project is a key driver in enhancing and increasing the competitiveness of the Company's group, as well as facilitating economies of scale

From the strengths of the location as described in (3) and the project's strengths as outlined in (4) above, which are significant selling points to drive the Lannatique Destination Project as a tourist destination and a new landmark in Chiang Mai, and as the main project to enhance and increase the competitiveness of AWC's business group in the heart of Chiang Mai, the project will be interconnected with AWC's existing businesses in Chiang Mai, making AWC's business group the owner of the most comprehensive and largest property development project in the Chang Khlan area and Chiang Mai Province.

(a) Initially, the Lannatique Destination Project will be developed to directly connect with 2 existing projects, namely, the Chiang Mai Marriott Hotel and the Melia Chiang Ma. Additionally, it will be developed to connect to the adjacent dusitD2 Chiang Mai, on a total area of approximately **41-2-80.2** rai.

This enhances efficiency in land utilization as each hotel supports one another's activities, allocates space within each project to offer comprehensive services, and ensures that customers can access services without competition. Under the joint management of the Company's team, the Lannatique The Plaza Project – adjacent hotel will operate under an upper upscale hotel brand, while the Lannatique Bazaar Project will be managed under the upper upscale hotel brand, connecting with the Chiang Mai Marriott Hotel. Additionally, the Lannatique Kalare Project can connect with the Melia Chiang Mai. Thus, the Company benefits from economies of scale, effectively managing resources for maximum benefit of the Company.

(b) The project connects with the InterContinental Hotel Chiang The Mai Mae Ping, Pantip Lifestyle Hub – Chiang Mai, the Lannatique Market Project, Night Market, and upcoming projects in Chiang Mai. This supports the growth of each project in the Chang Khlan area, promoting collective growth and indirect economy of scale as tourists can visit/use other projects as well.

⁴⁴ Please refer to details of the land use restrictions in Part 2, Transaction 2, Disadvantages (2), of this report

Figure 24: The Development and Connection of the Lannatique Destination Project with Other Projects of the Company



(6) PS2 continues to benefit from the car park building, while PCC and KCC have renovated some existing buildings, reducing the development time for the project

Assets being acquired under Transaction 2: the Lannatique Destination Project include the Lannatique Bazaar Project of PS2. It will utilize the existing 4-storey car park building with an area of 6,717 sq.m., without any modifications, as it is a relatively new building (approximately 4 years old) and is in good condition and ready for immediate use.

For the Lannatique The Plaza Project on PCC's land, the existing building will be renovated to become a hotel building, thus shortening the construction period. As for the Lannatique Kalare Project on KCC's land, mainly new buildings will be constructed, including market, car park building, shopping center, and hotel building. Some existing buildings, such as the Ancient House (**Zheng He's House**) and the renovated commercial building, will be part of Phase 1: Lifestyle Market and Art Village, leading to shorter construction period and enable the Lannatique Kalare Project to commence operations in Phase 1 by Q2/2025. Meanwhile, the development of Phase 2 (the shopping center and car park building) and Phase 3 (the hotel and amusement park with a water park) will involve the construction of new buildings, thus requiring a longer development period. Consequently, Phases 2 and 3 are expected to open approximately in Q2/2027 and Q4/2030, respectively.

(7) The enlargement of the Company's size of business leads to higher operating income and increase of performing assets that can generate more revenue in the long run

- Details are the same as those in Part 2, Transaction 1, Item 2.1 (5) -

If considering only the investment in Transaction 2, the Company's total assets would increase from the investment in the Lannatique Destination Project by approximately Baht 1,637.31 million. This amount comes from the acquisition of ordinary shares of PCC, PS2, and KCC, totaling approximately Baht 3,448.00 million, and the development cost of the project of approximately Baht 8,502.24 million (inclusive of VAT).

According to the consolidated financial statements of the Company as of December 31, 2023, the total assets amounted to Baht 172,437.29 million. After the Company and/or its subsidiaries invest in ordinary shares of 38D, PCC, PS2, and KCC within April 2029 and complete all project development

by Q4/2030, the Company's total assets will expand to approximately Baht **184,387.53** million⁴⁵ (excluding assets derived from other projects of the Company that are under development), which are considered assets that generate long-term revenue and provide continuous cash flows to the Company.

Furthermore, after the project commences operation, the Company will generate additional revenue, which will help expand the business scale, cash flow, and capital base for development of new potential projects in the future.

2.4 Disadvantages and Risks of the Transaction

(1) The Company will incur higher debt obligations, interest expenses, and debt to equity (D/E) ratio

- Details are the same as those in Part 2, Transaction 1, Clause 2.2 (1) -

The entering into Transaction 2 will bring the maximum level of debt burden to approximately Baht 12,731.39 million, originating from (a) the acquisition of ordinary shares of PCC, PS2, and KCC, amounting to approximately Baht 3,448.00 million, (b) additional payment of 5% p.a., totaling approximately Baht 781.15 million, and (c) investment for project development, amounting to approximately Baht 8,502.24 million (inclusive of VAT). PCC, PS2, and KCC will gradually repay these amounts during the project development period from 2024 to 2030. Initially, PCC, PS2, and KCC will secure loans from financial institutions.

(2) There is time limit on the use of land for the Lannatique Bazaar Project according to the terms of the Land Lease Agreement

The Lannatique Bazaar Project plans to demolish an existing building and construct a new 12-storey building with two underground parking levels for a hotel and shopping center, with an estimated investment value of approximately Baht 2,865.95 million on leased land for a long-term lease period of 30 years ending on June 30, 2044. These constructions are anticipated to be completed and operational within Q4/2029.

Consequently, PS2 will benefit from the use of these constructions and generate income from hotel operations and commercial leasing for a maximum duration of 15 years and 8 months (if operational by Q4/2029). This is a time limit on the use of land in accordance with the lease term. PS2 is still in negotiations to extend the lease for another 30 years from the end of the current Lease Agreement. However, when considering the return on investment according to the term of the Land Lease Agreement, the project is still considered as the worthwhile investment. Thus, if PS2 is unable to renew the lease, the overall return of the Lannatique Destination Project will not be affected. (Please refer to additional details in Part 3, Clause 2.2.2, of this report)

(3) The land of the Lannatique Destination Project is subject to restrictions on its use in accordance with relevant laws and regulations

The land of the Lannatique Destination Project is located on Chang Khlan Road, Chang Khlan Sub-district, Mueang District, Chiang Mai Province, which falls within the Red Zone No. 4.30, according to the Ministerial Regulation on Chiang Mai Comprehensive City Plan B.E. 2555 concerning the land use regulations for the Red Zone allow for commercial, residential, and tourism purposes. However, there are restrictions on land use in accordance with relevant laws governing construction control.⁴⁶ According to the Ministerial Regulation Re: Designated Areas where Construction, Alteration, or Change of Use of Certain Types or Categories of Buildings is Prohibited in Certain Parts of Chiang Mai Province B.E. 2547 (retail and wholesale commercial buildings), it is prohibited to construct retail and wholesale commercial buildings with a total floor area exceeding 300 sq.m. in the same building or multiple buildings.

In operating the business of renting of property to retail tenants in the shopping center of the Lannatique Destination Project, the Company is not required to obtain a business license and does not fall under the category of retail business operation (which is the direct sale of products to the end user) and wholesale business operation (which is the direct sale of products to the end user and/or distributor).

⁴⁵ When combining 3 projects (with Transaction 1 and Transaction 3), the Company's total assets would increase by Baht 186,448.93 million. The Company and/or its subsidiaries will utilize loans from financial institutions for the investment in these projects.

⁴⁶ Based on the Property Appraisal Report of the Lannatique Destination Project No. VL/mk/R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited for public purposes and the Draft Legal Due Diligence Report by Weerawong, Chinnavat & Partners Limited.

In designing the layout of the Lannatique Destination Project, the Company, along with PCC, PS2, and KCC, must comply with the city plan laws for the Red Zone and adhere to the aforementioned constraints to avoid any financial losses in the project.

(4) Risks involved with property development and business operation which may cause the project to fail to achieve the expected performance

(4.1) Risk arising from competition among luxury hotels in downtown Chiang Mai and the nearby areas

- Similar overview to Part 2, Transaction 1, Clause 2.2 (2.1) -

When considering luxury hotels in downtown Chiang Mai, there are 2 direct competitors, namely the InterContinental Chiang The Mai Mae Ping (luxury hotel of the Company) with 294 rooms and the Anantara Chiang Mai Resort with 84 rooms. Both hotels are in the Chang Khlan area, similar to the Lannatique Destination Project.

In the upper upscale hotel segment in downtown Chiang Mai, there are significant competitors, including boutique hotels (small-sized hotels with approximately 10 - 45 rooms and not managed by international hotel chains). Each hotel has its own strengths and unique selling points. Examples include the U Nimman Chiang Mai, the Cross Chiang Mai Riverside Resort, the 137 Pillars House, the Na Nirand Romantic Boutique Resort, the Raya Heritage, and Rachamankha Hotel Chiang Mai. The hotels under the Company include the Chiang Mai Marriott Hotel with 294 rooms and the Melia Chiang Mai with 260 rooms. Both hotels in this group ultimately aim to connect and support each other.

Hotel	No. of rooms / Segment	Location
Anantara Chiang Mai Resort	84 / luxury	Charoen Prathet Road (Ping Riverside)
U Nimman Chiang Mai	147 / upper upscale	Nimmanhaemin Road
Cross Chiang Mai Riverside Resort	29 / upper upscale	Charoen Rat Road (Ping Riverside)
137 Pillars House	30 / boutique	Wat Ket Karaam area
Na Nirand Romantic Boutique Resort	45 / boutique	Charoen Prathet Road (Ping Riverside)
Raya Heritage	38 / boutique	Soi Pa ton (Ping Riverside)
Rachamankha Hotel Chiang Mai	25 / boutique	Suan Dok Gate

Source: The Company

The Lannatique Destination Project, located in the heart of Night Bazaar, will offer 3 hotels with distinct styles. First, there will be a luxury hotel with an indoor water park and amusement park, connected to the lifestyle market. Next, an upper upscale hotel will provide an ambiance infused with the scent and culture of Japan, offering luxurious accommodations and Japanese-style atmosphere, along with concierge services and comprehensive facilities. Lastly, another upper upscale hotel will cater to families and MICE groups, as an extension of the Chiang Mai Marriott Hotel. The rooms will be decorated in a modern, contemporary style, complemented by artworks depicting the stories and lifestyles of the past of Lanna people.

(4.2) Risks from competition in the shopping mall and community mall business in Chiang Mai

When considering shopping destinations in Chiang Mai, which are popular among Thai and foreign tourists, as well as local residents, foreigners residing in Thailand, students, and scholars, there are large department stores such as Central Chiang Mai Airport, Central Festival Chiang Mai, Maya Lifestyle Shopping Center, and community malls such as One Nimman and Jing Jai Market Chiang Mai. These are mostly located in the outskirts of Chiang Mai city and along the superhighway with different selling points. The combined net lettable area of these properties is 197,340 sq.m. Meanwhile, the Lannatique Destination Project is in the heart of Nimmanhaemin Road and is the only project located in downtown Chiang Mai.

The Lannatique Destination Project will feature various selling points including hotels, shopping centers with luxury zones in collaboration with global partners, lifestyle market, and an entertainment hub for art and handicrafts from across the northern region (The Craft Village) such as the Art Trade Gallery, dining areas, activity spaces, co-working spaces, water park, and amusement park in collaboration with global theme park partners. These elements will serve as one of the attractions of the project, catering to people of all levels and ages.

Figure 25 - 26: Location and Details of Shopping Centers and Community Malls in Chiang Mai



Project name	Central Chiangmai	Central Chiangmai Airport	Maya	One Nimman	Jingjai Market Chiangmai
Location	Super Highway Road	Mahidol Road	Huaykaew Road	Nimmanhaemin	Asadathorn Road
Project area	250,000 sq.m.	180,000 sq.m.	79,100 sq.m.	26,000 sq.m.	Not specified
Salable area	68,020 sq.m.	76,665 sq.m.	35,000 sq.m.	8,000 sq.m.	9,655 sq.m.
Concept	Large shopping mall with variety products	Large shopping mall with variety products and	Lifestyle Mall	Community Mall for new generation	A market focused on building thriving local communities to create combined economic and social value.
Operating hours Weekday Weekend	11 a.m. – 9 p.m. 10 a.m. – 10 p.m.	11 a.m. – 9 p.m.	10 a.m. – 10 p.m. 11 a.m. – 10 p.m.	11 a.m. – 9 p.m. 11 a.m. – 10 p.m.	10 a.m. – 5 p.m. 8 a.m. – 5 p.m.
Shop type	Restaurant, Kiosk, Café, Fitness, International Brand name shop Supermarket, Cinema, Ice-skating, Playground for kids	Restaurant, Kiosk, Café, Supermarket, International Brand name shop, Food Court Lanna Style, Cinema	Restaurant, Kiosk, Café, Fitness, Supermarket, Co-working space	Premium Restaurant, Bar, Handmade shop, small market	Tops supermarket green concept, OTOP product, Market, Art & craft, Café, Gallery
Target customer	Local people and tourists	Local people and tourists	Students	Tourists and Art lovers	Local people and tourists
Selling point	The largest shopping mall with variety of products especially premium brand	The oldest shopping mall for local people having mid-end to low-end products as well as a shopping place for souvenir before boarding	Place for teenager and young generation	Unique Community mall that is popular for art & craft products	Semi community mall offer local products in Lanna style ambience

Source: The Company

(4.3) Risk potentially arising from reliance on purchasing power of the selected target groups that mostly are tourists

- Similar overview to Part 2, Transaction 1, Clause 2.2 (2.2) -

(4.4) Risk potentially arising from cost overrun

- Details are the same as those in Part 2, Transaction 1, Clause 2.2 (2.3) -

(4.5) Risk concerned with application for relevant permits such as the EIA approval, construction permit, hotel business license

- Details are the same as those in Part 2, Transaction 1, Clause 2.2 (2.4) -

(5) Risk incidental to the past tax burden of PCC, PS2, and KCC

- Details are the same as those in Part 2, Transaction 1, Clause 2.2 (3) -

Transaction 3: Additional Payment for the Shares to Acquire the Investment Rights in the OP Garden Project

2.5 Advantages and Benefits of the Transaction

(1) It is consistent with the Company's overall business strategy and real estate development plan, which will lead to the creation of long-term value and sustainable growth for the Company

- Details are the same as those in Part 2, Transaction 1, Clause 2.1 (1), and Transaction 2, Clause 2.3 (1) -

The assets being acquired under Transaction 3 include the rights of land and constructions of the OP Garden Project on Charoen Krung 36, located opposite the Nobu Hotel Bangkok Project (a joint development project between the OP Place Project and the Swann Hotel Project, which have adjacent land). The Company will renovate these assets into a luxury hotel with only 60 rooms, targeting high purchasing power customers. This will result in continuous cash flows and returns from this investment, as well as EBITDA growth, leading to long-term value creation and sustainable growth for the company.

(2) It is the management of the overall hospitality investment portfolio by increasing the total number of guest rooms and ratio of luxury hotels in the Company's portfolio

- Details are the same as those in Part 2, Transaction 1, Clause 2.1 (2), and Transaction 2, Clause 2.3 (2) -

The Company will develop a cluster of luxury hotels in the Bang Rak area (Charoen Krung Road 36 and 40), which will be connected to the Nobu Hotel Bangkok and The Plaza Athenee Nobu Hotel and Spa Bangkok (along the Chao Phraya River). These are situated in contiguous areas along Charoen Krung 36 – 40 area.

Additionally, the OP Garden Project will cater to the high-end lifestyle of high-purchasing-power customer segments, with 60 rooms that seamlessly blend with The Journey of A River experience, offering privacy surrounded by green spaces within private gardens. The hotel aims to evoke a homely feel, with accommodation designed more like residences than hotel rooms. It incorporates the warm elements of a home into its service, combining luxury and world-class hotel services, along with meticulous attention to detail.

(3) The Company will acquire land and construction in a prime location with business potentials, which currently is difficult to find in that area and in the same area as the Company's owned land, to build significant landmarks to generate cash flow, EBITDA, and recurring income for the Company in the long term

- The similar overview to those in Part 2, Transaction 2, Clause 2.1 (3) and Transaction 2, Clause 2.3 (3) -

The land and constructions of the OP Garden Project are located on Charoen Krung Road and Charoen Krung 36 Road, opposite the land owned by the Company's group that is being developed into the Nobu Hotel Bangkok Project. The OP Garden project will be an extension of the Nobu Hotel Bangkok, thus, ensuring the optimized use of land. The large land plots surrounding this project are possessed by juristic entities such as the Crown Property Bureau, Embassy of France, Assumption College, Catholic Mission Foundation of Thailand, Mandarin Oriental Hotel, and the Treasury Department.

The project's advantage is its location, which is suitable for development of a luxury hotel that is ideal for leisure, business, traveling, and transporting to various places, as follows:

- It is close to many cultural tourist destinations along Charoen Krung Road and important historic places in Bang Rak District, Bangkok such as Assumption Cathedral, which is over 115-year Roman Catholic church and one of the most beautiful churches in Thailand; the historic building Sunlakasathan (Rong Phasi Roi Chak Sam), which was the first office of the Customs Department built during the reign of King Rama V, currently aged more than 130 years and being under development into a 5-star or more hotel with 70 - 80 rooms and scheduled to open in 2025 (land under leasehold rights); the Grand Postal Building which was built in 1940; Captain Bush Lane, which is linked to the old Talat Noi community, Song Wat Road, and Yaowarat.
- It is close to the Oriental Pier, which can connect to the river journey that encompasses several projects of the Company such as the Asiatique The Riverfront Project, the Lhong 1919 Project, the Song Wat Project, and other projects along the Chao Phraya River.

- It is approximately 20 m. from Charoen Krung Road, which leads to the important roads such as Yaowarat, Silom, and Sathon.

The Company plans to develop the OP Garden Project into a luxury hotel under the management of a renowned global brand, focusing on upscale tourism alongside cultural, architectural, and artistic experiences. This concept revolves around a journey through time from classical art to contemporary relevance, connecting with travel along the Chao Phraya River, following the Journey of A River. This initiative aims to maximize land use and benefit from hosting events at The Plaza Athénée Nobu Hotel and Spa Bangkok (the EAC Project), accommodating guests at the Nobu Hotel Bangkok and the OP Garden Project. This synergy is expected to generate continuous cash flows, EBITDA, and recurring income for the Company in the long run.

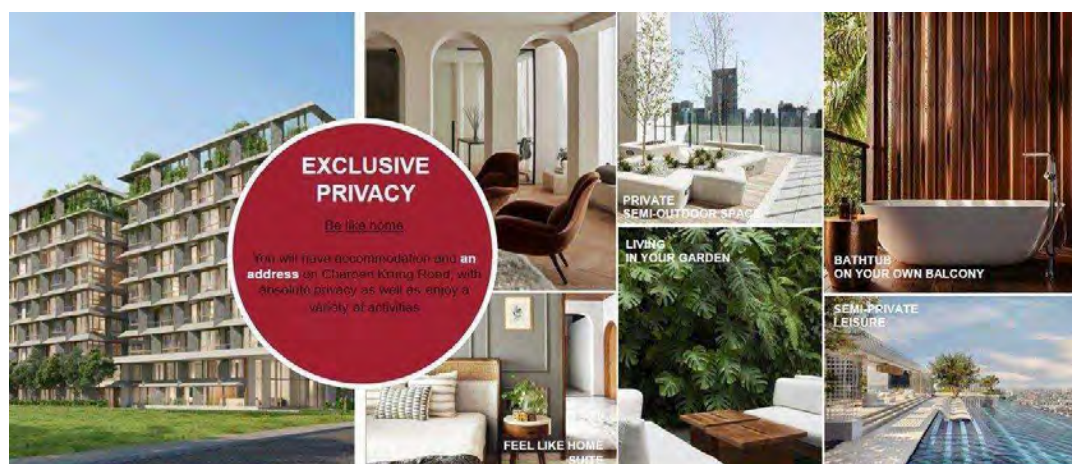
(4) The OP Garden Project will be a part of enhancing and bolstering the competitiveness of the hospitality business group by creating a significant landmark for the Company, following the luxury hotel development plan in the Charoen Krung 36 - 40 area which is another culturally and architecturally rich district, contributing to economy of scale

The acquisition of rights to develop the OP Garden Project allows the Company to hold ownership rights to land and constructions, as well as full leasehold rights. This enables the Company to enhance the potential of its luxury hotel development plan in the Charoen Krung 36 - 40 area. Key selling points include luxurious event spaces within The Plaza Athénée Nobu Hotel and Spa Bangkok, located in a historic building with clear views of the Chao Phraya River, and accommodation in 3 distinct styles across 3 hotels. This integration across all 3 projects (The Plaza Athénée Nobu Hotel and Spa Bangkok, Nobu Hotel Bangkok, and the OP Garden Project) enhances competitiveness and attracts high-income tourists. Moreover, it maximizes land use efficiency and enables the Company to meet and respond to customer demands effectively.

Key selling points of the OP Garden Project are as follows:

- It will feature a luxury lifestyle hotel with a limited number of guest rooms, thus providing a high level of privacy.
- The rooftop on the 7th Floor will feature a specially designed garden, a swimming pool that stretches along the entire length of the building, and a bar.
- Covered with green areas within a private garden, the hotel makes you feel at home. The rooms are designed with the concept of being more of a residence than a hotel, incorporating home elements into the service, seamlessly blending luxury and world-class hotel services, along with meticulous attention to detail.
- Apart from restaurant and bar of the OP Garden Project, customers may opt to use services at the luxurious banquet room/club lounge of the Plaza Athenee Nobu Hotel and Spa Bangkok, which is located in a more than century-old building with a view of the Chao Phraya River, and the bar of the Nobu Hotel Bangkok.
- There will be a cruising service on the Chao Phraya River in order for customers to enjoy the atmosphere and visit important historic places as well as use services of other riverside projects of the Company.

Figure 27: Conceptual Overview of the OP Garden Project



When developing the OP Garden Project to connect with the Nobu Hotel Bangkok, creating a continuous project, there will be approximately 155 luxury rooms, a total of 8 rooms of restaurants, tea rooms, cafes, 2 pool bars, 2 spa, swimming pools, and approximately 185 parking spaces. This will enable the accommodation of a larger number of customers. Additionally, when combined with The Plaza Athénée Nobu Hotel and Spa Bangkok on Charoen Krung 40 Road, there will be an additional 50 classic-style rooms along with luxurious event spaces. All 3 hotels are considered to complement each other, allowing for the allocation of comprehensive services for each project, ensuring that customers can utilize services without being competitive with each other. With the collaborative management by the Company's teams, the Company shall benefit from economy of scale, which is considered as the optimization of resource management for the maximum benefit of the company.

(5) The enlargement of size of the Company's business leads to higher operating income and increase of performing assets that can generate more revenue in the long run

- Details are the same as those in Part 2, Transaction 1, Clause 2.1 (5) and Transaction 2, Clause 2.3 (7) -

The entering into Transaction 3 will increase the Company's total assets from the additional payment for ACA ordinary shares of approximately Baht 440.00 million and the development cost of the OP Garden project of Baht 623.40 million (inclusive of VAT).

Based on the consolidated financial statements as of December 31, 2023, the Company's total assets amounted to Baht 172,437.29 million. After the Company and/or its subsidiaries complete the investment in ordinary shares of 38D, PCC, PS2, and KCC, by April 2029 and complete the project development by Q4/2030, the Company's business scale will increase. The total assets are expected to increase to approximately Baht 173,500.69 million,⁴⁷ excluding assets from other projects of the Company that are under development, which are considered long-term revenue generators and continuously cash flow contributors for the Company.

Furthermore, after the project commences operation, the Company will generate additional revenue, which will help expand the business scale, cash flow, and capital base for development of the new potential projects in the future.

2.6 Disadvantages and Risks of the Transaction

(1) The Company will incur higher debt obligations, interest expenses, and debt to equity (D/E) Ratio.

- Please refer to details in Part 2, Transaction 1, Clause 2.2 (1), and Transaction 2, Clause 2.4 (1) -

The entering into Transaction 3 will result in the maximum debt burden of approximately Baht 1,063.40 million, comprising of (a) additional payment for ordinary shares of ACA of approximately Baht 440.00 million, and (b) investment for the development of the OP Garden Project of approximately Baht 623.40 million (inclusive of VAT). The source of funds will be loans from financial institutions in Thai Baht currency, which are part of the Company's unused loan facilities.

(2) The land of the OP Garden Project has restrictions on its use according to relevant laws and regulations

The land of the OP Garden Project is located on Charoen Krung 36 Road, Bang Rak District, Bangkok. It is situated in the Red Zone according to the Bangkok Comprehensive City Plan (B.E. 2556), which specifies a Floor Area Ratio (FAR) not exceeding 10:1. Additionally, FAR can be increased by an additional 20% if there are provisions for public benefit areas or public gardens, energy-efficient buildings, etc. The Open Space Ratio (OSR) must be at least 3% of the total floor area, and there must be permeable areas for planting trees covering at least 50% of the open space. The land can be utilized for a hotel with no more than 80 rooms or an area exceeding 4,000 sq.m. (due to Charoen Krung 36 Road having a lane width of less than 12 m. and being located more than 500 m. away from the surrounding area of the mass transit railway station).

Therefore, the Company has the idea to fully utilize the land and maximize its efficiency by constructing a 7-storey hotel building on the ground with 3 underground parking levels and 69 guest rooms, which do not exceed the legal limit. Additionally, space will be allocated to comply with FAR and OSR requirements, including the provision of green areas with gardens on the rooftop and around the building,

⁴⁷ When combining 3 projects (Transaction 2 and Transaction 3), the Company's total assets would increase by Baht 186,448.93 million. The Company and/or its subsidiaries will utilize loans from financial institutions for the investment in these projects.

as well as guest rooms with private gardens. All green areas will exceed the requirements for environmental impact assessment. However, the OP Garden Project will benefit from the use of facilities and services provided by the Company's surrounding projects, thus reducing the constraints on land use according to the law.

(3) Risks involved with property development and business operation which may cause the project to fail to achieve the expected performance

(3.1) Risk from competition among luxury and upper upscale hotels in Bangkok and nearby areas

The OP Garden Project is located near (a) the Mandarin Oriental Bangkok with 368 rooms, situated along the Chao Phraya River, featuring various types of guest rooms, 8 restaurants, 5 banquet rooms, and a spa center, and (b) the Vienna House Bangkok (Sunlakasathan or Rong Phasi Roi Chak Sam) on Charoen Krung 36 Road, expected to open in 2025, as a 5-star boutique hotel with 70 - 80 rooms, covering an area of over 5 rai, and a riverfront area of more than 72 meters.

The Mandarin Oriental Bangkok and the various projects under development in this area, including all projects of the Company, are exclusively luxury hotels. This elevates the Charoen Krung 36 - 40 area to a district of upscale tourism and culturally distinctive tourism.

However, considering the competitors located in the adjacent area along Sathon Road, which is the business district of Bangkok, and Wireless Road, there are 5 direct competitors that are distinctive lifestyle hotels with a total of approximately 1,238 rooms. Such hotels are luxury hotels targeting high-end tourists, including foreigners. These competitors have the following strengths:

Hotel	No. of Rooms / Segment	Location
SO/ Bangkok	238 / Luxury	North Sathon Road, Silom, Bang Rak, Bangkok
W Hotel	403 / Luxury	North Sathon Road, Silom, Bang Rak, Bangkok
Indigo Bangkok Wireless Road	192 / Upper upscale	Wireless Road, Lumpini, Pathumwan, Bangkok
Kimpton Maa-lai Bangkok	231 / Upper upscale	Soi Tonson, Lumpini, Pathumwan, Bangkok
Hotel Muse Bangkok	174 / Boutique	Langsuan Road, Lumpini, Pathumwan, Bangkok

Source: The Company and each hotel's website

Therefore, the development of the OP Garden Project, expected to commence operations in Q4/2027, aims to become an upper upscale hotel that emphasizes the unique experience of connecting with the Journey of A River, along with a sense of privacy enveloped by green spaces within private gardens. It aims to evoke a feeling of home in its accommodation, with a concept of residential living prevailing over that of a hotel. This includes integrating cozy, home-like elements into its offerings, seamlessly merging with the opulence and service of a top-tier hotel, all while paying meticulous attention to detail in order to serve an upscale clientele. The choice of upscale customers to opt for a hotel will mainly depend on formats that match the requirements of each stay and exceptional service.

(3.2) Risk potentially arising from reliance on the target groups which mostly are international tourists with high purchasing power

- Overview and details are same as those in Part 2, Transaction 1, Clause 2.2 (2.2) and Transaction 2, Clause 2.4 (4.1) -

In addition, the target customer group for the OP Garden Project consists of both Thai and international clients with high income seeking luxurious service experiences surpassing those offered by leading hotels, providing a private and homely stay. This blend of classic and contemporary appeals to couples, friend groups, families, and business professionals.

(3.3) Risk potentially arising from cost overrun

- Overview and details are same as those in Part 2, Transaction 1, Clause 2.2 (2.3) -

The OP Garden Project is scheduled to commence demolition of the old building and construction of the new building in Q2/2025, taking approximately 2 years and 3 months, which is a relatively short timeframe. Moreover, the building structure is not overly complex, so it is anticipated that the Company will be able to manage the project costs without much difficulty.

(3.4) Risk concerned with application for relevant permits such as the EIA approval, construction permit, hotel business license

- Details are the same as those in Part 2, Transaction 1, Clause 2.2 (2.4) -

3. Comparison of Advantages and Disadvantages between the Entering into the Transaction with Connected Persons and Transaction with the Third Parties

3.1 Benefits and Advantages of the Entering into the Transaction with Connected Persons and Transaction with the Third Parties

(1) The Company will be entitled to access the TCC Group's land bank that is in prime locations

In this transaction, the Company continues to benefit from its access to a significant amount of land owned by the Group of Companies of the Grantor (TCC Group), which is one of the largest real estate companies in Thailand and holds ownership of land in various strategic locations nationwide. The rights are granted to the Company under the Right Granting Agreement in order to develop real estate projects in the hospitality and retail and commercial buildings sectors continuously in the future. This aligns with investment evaluation criteria and frameworks, including the return on investment. Moreover, it enables the Company to invest in projects when ready for development without the need to purchase the aforementioned properties in advance for an extended period, including acquiring the properties of these 3 projects. It also limits opportunities to access land with potential for competitors, both existing and new, entering various real estate development sectors in Thailand.

Therefore, the opportunity to access the TCC Group's land bank will support the Company's plan for continuous growth which will help create the advantages and enhance its competitiveness against other large developers, thereby providing one of the key strengths for the Company.

(2) The Company is granted flexible conditions from the Sellers

The Company intends to acquire ordinary shares in 38D, PCC, PS2, and KCC, as well as the rights in the OP Garden Project, to develop projects in accordance with its business model. The TCC Group (seller of ordinary shares in 38D, PCC, PS2, and KCC) has flexible investment and payment conditions to the Company, whereby the Company can divide the investment into 2 phase and obtain the rights to develop the business when paying for the first 18% of shares of 38D, PCC, PS2, and KCC. This includes entering into management contracts to develop the projects for 38D, PCC, PS2, and KC, which enables the Company to commence project development immediately for timely service openings.

Payment for the Remaining Shares is allowed to be made within 5 years ((by April 25, 2029, which is the period when each project is scheduled to commence operations) whether through a single purchase or multiple acquisitions, with additional payment of 5% p.a., compounded annually on the **unpaid balance. This will depend on the Company's financial management plan**, by comparing its finance cost, the possibility of other more worthwhile investment, and return on investment in each period to bring about the utmost benefit for the Company.

The Company considers that such condition enables the Company to determine the timing of investment in the Remaining Shares of 38D, PCC, PS2, and KCC as deem appropriate, providing the flexibility in investment management, so that it can effectively manage its liquidity and D/E ratio during the project development. Currently, the Company's average borrowing cost is around 3.80% p.a.

(3) The Company has an opportunity to study information on the interesting properties as a basis for further planning and analysis of project feasibility before making an investment decision, together with flexibility in coordination

By entering into the Right Granting Agreement with the TCC Group, the Company receives information of all land and projects of the TCC Group as requested by the company, including information on all 3 projects in this transaction. This allows the Company to thoroughly assess and study the feasibility of the development of each project in detail. If the company determines that a project can be developed, it will proceed with investment in each project incrementally.

Thus, the entering into the transactions with the TCC Group, which is a connected person, will provide the Company with the opportunity to study information on the properties to be invested as a basis for further planning and analysis of project feasibility before making an investment decision, together with flexibility in coordination.

(4) The Company can keep confidential information of the project development during the negotiation for property acquisition

During the initial period of information review, contact, and coordination as a basis for feasibility **analysis under the Company's strategy, the Company needs to keep this confidential in order to ensure** that the information is not leaked to its competitors or any third parties before public disclosure.

Therefore, the entering into the transaction with the TCC Group, which is a connected person, **will limit the access to this information within the group, which will be more beneficial to the Company's competitiveness.**

(5) The Company will indirectly benefit from the broad network and mutual support among diverse businesses in TCC Group

TCC Group is one of the large conglomerates in Southeast Asia. It currently operates 5 main groups of businesses consisting of (a) food and beverage business group (Thai Beverage Group, Fraser & Neave Group, Oishi Group, Sermsuk Group, Beverage Corporation (Sabeco) Group); (b) industrial and trading business group (Berli Jucker Group and MM Mega Market Group); (c) finance and insurance group (Thai Group Holdings); (d) agricultural and agro-industrial business group (Siam Food Products Group); and (e) property business group in Thailand and at international level.

Apart from transactions carried out through the Right Granting Agreement, the Company and TCC Group have entered into mutual transactions whereby each party can leverage the strengths of the other party to support and grow together.

Therefore, the Company will indirectly benefit from the broad network and mutual support among diverse businesses in TCC Group whereby each party can leverage the strengths of the other party to support and grow together.

3.2 Disadvantages of the Entering into the Transaction with Connected Persons and Transactions with the Third Parties

(1) The Company has to continuously rely on the connected persons (the Right Grantor) in procuring properties for its project development

The Company has considered both external options and lands under agreements with the TCC Group when acquiring land and properties for project development. Under the Right Granting Agreement, the Company will benefit from the rights to access a large land bank of the Group of Companies of the Grantor, which are large plots of land in prime locations, preparing the Company for future development in a timely manner. Access to information from such agreement has streamlined decision-making compared to external sources. Additionally, some team members are already familiar with the land, aiding in the decision-making process.

In 2019 - 2023, the Company has approved the acquisition of properties from the TCC Group for the investment in (a) the completely developed project such as the Gateway Ekamai Project, and Hotel Plaza Athenee New York⁴⁸ (currently under renovation) and (b) land and/or leasehold rights for project development such as the Asiatique The Riverfront Extension Project, Pattaya Mixed-use Retail and Hotel Development Project, Woeng Nakhon Kasem Project, 8 Rai Lasalle Project, OP Place Project, EAC Project, The Imperial Golden Triangle Resort Project, Song Wat 1 Project, Song Wat 2 Project, and Swan Project. This accordingly results in the continuous reliance on the connected person (the TCC Group) in procuring properties for its project development.

However, an investment decision under the Right Granting Agreement with the Grantor who own a large land bank and a great number of projects is considered beneficial to the Company. Besides, as the Company has no access and no offering from any third party, comparison with transactions with any third party is impractical in this case.

4. Other Analyses

4.1 Sufficiency of Source of Funds for the Transactions

To carry out all 3 transactions, the Company will rely on loans from financial institutions, by which the Company can draw down loan as required. The Company will use Baht 20,000 million of sustainability-linked loan, aimed at supporting the development of new projects, sustaining AWC's operations, and promoting Thailand as a sustainable global tourism destination, and Baht 3,000 million of term loan as source of fund for the transactions.

Forecasted use and source of fund are as follows:

⁴⁸ The investment in Hotel Plaza Athenee New York has similar format to the transactions to be entered at this time, by which the Company invested in 18% of shares of Plaza Athenee Company Limited and shall invest in the remaining 82% within 10 years after the **date on which the shareholders' meeting of the Company approves the transaction.**

Investment of other projects did not set the first tranche of investment but can gradually invest during the period of 10 years from the dates **on which the shareholders' meetings** of the Company approved the transactions.

Description/Project	Investment Amount (Unit: Baht million)				Source of Funds	Estimated Investment Period
	Transaction 1	Transaction 2	Transaction 3	Total		
(1) Acquisition price of 38D, PCC, PS2, and KCC ordinary shares	38D	PCC, PS2, KCC	ACA		Undrawn Baht 20,000 million sustainability-linked loan	April 26, 2024
(a) 18% of total ordinary shares	179.84	620.64	440.00	1,240.28		
(b) Remaining Shares (82%)	818.36	2,827.36	-	3,645.72		
Total	998.00	3,448.00	440.00	4,886.00		
(2) Maximum additional payment of 5% p.a. compounded on the unpaid balance	226.10	781.15	-	1,007.25		No later than April 2029
Maximum Total	1,224.10	4,229.15	676.20	5,893.25		

The Company believes that it has adequate funds for future project development. The Company has a Baht 20,000 million sustainability-linked credit facility to support all transactions at this time. Additionally, the Company has a Baht 30,000 million revolving development credit program - cum debenture (RD CD) facility⁴⁹ for use in other large-scale projects approved by shareholders' meetings over the past 3 years.

Initially, 38D, PCC, PS2, KCC, and ACA will use loans from financial institutions to finance the project development (the Company is currently under the consideration of loan conditions and selection of financial institutions) which may require fixed assets of 38D, PCC, PS2, and KCC as collateral. The Company shall consider the loan conditions that provide the maximum benefits to the Company and believes that it will obtain an adequate amount of credit lines for development of the projects.

4.2 Appropriateness of Conditions in the Draft Share Purchase Agreements

When considering the appropriateness of the terms summarized in the Draft Share Purchase Agreement for shares of 38D, PCC, PS2, and KCC (Transaction 1 and Transaction 2), as well as the Draft Memorandum for the Amendment to ACA Share Purchase Agreement No. 2 (Transaction 3), the IFA believes that the conditions of the related agreements are appropriate and in line with normal course of business.

The Draft 38D Share Purchase Agreement, Draft PCC Share Purchase Agreement, Draft PS2 Share Purchase Agreement, and Draft KCC Share Purchase Agreement additionally specifies the terms of payment as follows: *"The Purchasers of 38D, PCC, PS2, and KCC Ordinary Shares shall purchase 18% of total shares in 38D, PCC, PS2, and KCC by April 26, 2024 (after the Company obtains an approval from the shareholders' meeting to enter the transaction) and the Purchasers of 38D, PCC, PS2, and KCC Ordinary Shares have the right to purchase the remaining 82% of total shares in 38D, PCC, PS2, and KCC from the Sellers of 38D, PCC, PS2, and KCC Ordinary Shares, whether through a single purchase or multiple acquisitions, subject to a condition that the Purchasers of 38D, PCC, PS2, and KCC Ordinary Shares shall pay additional payment of 5% p.a., compounded annually on the unpaid balance. In the case where the Purchasers of 38D, PCC, PS2, and KCC Ordinary Shares fail to complete a transfer of the Remaining Shares within 5 years from the date when the Company obtain an approval from the shareholders' meeting to enter the transaction, the Purchasers of 38D, PCC, PS2, and KCC Ordinary Shares shall pay 5% p.a. compensation, compounded annually on the unpaid balance, and the said agreement shall then be deemed terminated."* and

"The Company and Sellers of 38D, PCC, PS2, and KCC Ordinary Shares will enter into Shareholders' Agreements which specify control and management principles of 38D, PCC, PS2, and KCC. The following matters shall be unanimously approved by directors and/or shareholders from both parties such as change of main business or operating other businesses, and incurring expenses over a limit per fiscal year as specified in the agreement (for day to day operation) except those in the approved budget, change of directors, significant asset disposition, merger and acquisition, capital increase and decrease, and dividend payment."

⁴⁹ The facility is available for project investment and development financing. Once the project construction is completed and the project begins to generate revenue, the Company can utilize operational cash flow or proceeds from debenture issuance to repay the loan. This enables the Company to maintain a revolving credit line for the ongoing development of additional projects, ensuring that the total credit line does not exceed Baht 30,000 million at any given time.

The Independent Financial Advisor is of the opinion that

(a) The Company obtains flexible conditions from the Sellers of 38D, PCC, PS2, and KCC Ordinary Shares, under which it can gradually invest in 38D, PCC, PS2, and KCC shares by making an initial payment for 18% of all shares in 38D, PCC, PS2, and KCC in order to obtain the right to develop the projects. The Company will undertake the management and development of the projects for 38D, PCC, PS2, and KCC and receive a remuneration as mutually agreed and at the same rate as that charged by the Company from other affiliated companies. Investment in 82% Remaining Shares will depend on **the Company's** readiness and decision and can be made within 5 years, in which the Company shall make additional payment of 5% p.a., compounded annually on the unpaid balance.

In this regard, the Company will have to determine an appropriate timing for investment in the Remaining Shares to ensure the best interest for the Company and/or its shareholders.

(b) The Company has an option to borrow from financial institutions to pay for 38D, PCC, PS2, and KCC shares in a single purchase or multiple acquisitions or opt to pay additional payment of 5% p.a., compounded annually, to the Sellers of 38D, PCC, PS2, and KCC Ordinary Shares and still entitle to the rights to develop the projects. This alternative (b) is at the discretion of the Company. Thus, if the Company views that loan from financial institutions has higher interest rate or inferior conditions or the Company can invest the amount and earn return of more than 5% p.a., or the Company is enable to manage liquidity and debt to equity ratio effectively during project development in order to bring about the utmost benefit for the Company, the additional payment of 5% p.a. to the Sellers of 38D, PCC, PS2, and KCC Ordinary Shares may be beneficial to the Company. The Independent Financial Advisor, therefore, is of the opinion that the condition on additional payment of 5% p.a., compounded annually on the unpaid balance, provides flexibility and alternative of project financing, which will be beneficial to the Company. **This also enhances the Company's capacity to** develop multiple projects simultaneously under the investment structure of AWC Growth Fund. Currently, the Company's average borrowing cost is around 3.80% p.a.

(c) Significant conditions relating to change of main business or operating other businesses, incurring expenses, change of directors, significant asset disposition, merger and acquisition, capital increase and decrease, and dividend payment of 38D, PCC, PS2, **and KCC, under the Shareholders' Agreements**, must be unanimously approved by directors and/or shareholders from both parties. This is beneficial to the Company during the period that the Company has not yet held all shares of 38D, PCC, PS2, and KCC.

In addition, the Independent Financial Advisor is of the opinion that other conditions in the Draft 38D Share Purchase Agreement, Draft PCC Share Purchase Agreement, Draft PS2 Share Purchase Agreement, Draft KCC Share Purchase Agreement, and Draft Memorandum for the Amendment to the ACA Share Purchase Agreement No. 2 are appropriate, in accordance with normal business practices, and at arm-length basis.

(Please refer to summary of Draft Share Purchase Agreements (Transaction 1 – 2) and Draft Memorandum for the Amendment to the ACA Share Purchase Agreement No. 2 (Transaction 3) in Clause 9.1.1, 9.1.2, and 9.1.3 of the Information Memorandum Concerning Asset Acquisition and Connected Transactions under Schedule 2 (Enclosure No. 4) enclosed with this notification to the shareholders' meeting)

5. Summary of Opinion of the Independent Financial Advisor on Reasonableness of the Asset Acquisition and Connected Transactions

The Company plans to constantly develop a variety of property projects to create consistent and sustainable cash flow and add value to its long-term investment, which will ultimately lead to sustainable growth.

The Company has consistently invested in assets and various projects that are promising for development. Investments have been made in assets from the TCC Group and the third parties. **The Company's real estate projects are sited in Thailand's prominent business and tourism areas. All of its properties in the hospitality business can be found in the popular business and tourism destinations all over the country such as Bangkok, Chiang Mai, Phuket, Hua Hin, Surat Thani (Samui Island), and Krabi under collaboration with a number of leading international hoteliers.**

The Company will continue to have guidelines for managing properties that are promising and viable for investment to expand its business in line with its growth strategy, focusing on generating cash flow from its strengths in managing and developing the Company's projects, while aligning with its investment criteria and framework. Some of the properties are under the ownership of the TCC Group.

The entering into the asset acquisition and connected transactions represents a continuous development of projects for the future. This will increase the number of rooms and the ratio of luxury and upper upscale hotels, as well as commercial spaces, in prime locations with strong potential. Each location will have its unique selling points within the Company's portfolio, connecting with the AWC **business group's projects in each area, thus creating significant landmarks for the Company as key tourism destinations.**

Therefore, the investment will allow for ongoing property development and portfolio management of the Company, as well as diversification of revenue sources, which will lead to consistent and sustainable growth in the future and help to add value to long-term investment and enhance the **Company's growth potential as well as benefits to the Company and all shareholders.**

The Company will benefit from the asset acquisition transactions and the connected transactions as follows:

Transaction 1: Acquisition of Ordinary Shares in 38 Development Company Limited in order to Acquire Leasehold Rights for the Development of Sukhumvit 38 Hotel Project

Advantages and benefits of Transaction 1 are as follows:

- (1) **The transaction can support the Company's ongoing growth**, which will help to expand its cash flow and quality portfolio in the long term and lead to its sustainable growth.
- (2) It is the management of the overall hospitality investment portfolio by increasing number of guest rooms and ratio of upper upscale and luxury **hotels in the Company's portfolio.**
- (3) The Company will acquire a large parcel of land in prime location with business potential, which currently is difficult to find in that area that is suitable for hotel development and can be leveraged uniquely for each location, and which will continuously generate cash flow, EBITDA, and income for the Company in the long term.
The project is a luxury hotel that focuses on health and the first oasis in Thong Lo under the concept of "Holistic Wellness". This aims to provide a hotel stay and comprehensive health services integrated with natural surroundings amidst the hustle and bustle of the Thong Lo district and urban lifestyle. It caters to high-purchasing power customer groups, allowing connections between relaxation and activities within the accommodation, potentially extending the length of stay.
- (4) It is the investment in projects with long-term leasehold rights and under favorable conditions. The leasehold rights for the Sukhumvit 38 Hotel Project have a total duration of 60 years, starting from the day after the completion of construction. The leasehold rights have been registered, rent has been fully paid, and development of the project can commence immediately.
- (5) The **enlargement of the Company's size of business leads** to higher operating income and increase of performing assets that can generate more revenue in the long run.

However, Transaction 1 is associated with the following disadvantages and risks:

- (1) The Company will incur higher debt obligations, interest expenses, and debt to equity (D/E) ratio. Considering the overview of all 3 transactions as if the Company paid all investments at once, the Company would have maximum additional debt equal to total value of the projects of approximately Baht 17,024.05 million (including the liabilities of 38D, PCC, PS2, KCC, and ACA incorporated into

the Company's consolidated financial statements). Therefore, after completing these transactions, if calculated based on the aforementioned financial statements and without considering future performance, the financial ratios would still comply with the financial covenants of the financial institutions (*the actual ratios will depend on the financial data at the time of closing, during which the Company will split the payment for ordinary shares of 38D, PCC, PS2, and KCC into 2 parts, and during the project development period for 38D, PCC, PS2, KCC, and ACA between 2025 - 2030*), as follows:

Financial Ratio	Prior to the Entering into the Transaction (Based on 2023 Financial Statements)	After the Entering into the Transaction				Financial Covenants According to Current Loan Agreement with Financial Institutions
		Transaction 1	Transaction 2	Transaction 3	Total 3 Transactions	
D/E ratio	0.97 time	1.01 times	1.12 times	0.98 time	1.17 times	-
Interest-bearing D/E ratio	0.90 time	0.95 time	1.08 times	0.92 time	1.13 times	Not exceed 1.5 times, based on consolidated financial statements of the Company
Debt Service Coverage Ratio (DSCR) and Interest Coverage Ratio (ICR)	3.04 times	2.89 times	2.53 times	2.99 times	2.40 times	At least 2 times, and other conditions ^{1/}

Remark:

- 1/ Under such loan agreement, the Company is obligated to fulfill the conditions such as maintenance of financial ratios, maintenance of control in the group of family-owned businesses, and maintenance of shareholding percentage in the Company and/or its subsidiaries. The Company is also subjected to certain restrictions such as the Company and/or its subsidiaries must not transfer, dispose, rent, or incur encumbrances on the assets of the Group of Companies, unless such encumbrances are required by law or under the normal course of business.
- (2) Risks involved with property development and business operation which may cause the project to fail to achieve the expected performance.
- (2.1) Risk arising from competition among hotels in the nearby area, which will be luxury and upper upscale hotels in the Sukhumvit area and surrounding areas.
- (2.2) Risk potentially arising from reliance on the target groups which mostly are international tourists with high purchasing power.
- (2.3) Risk potentially arising from cost overrun
- (2.4) Risk concerned with application for relevant permits such as the EIA approval, construction permit, building modification permit, hotel business license. Presently, the Company does not file for any application. It shall proceed after the Company receives an approval from this **shareholders' meeting**.
- (3) Risk incidental to the past tax burden of 38D
- The legal due diligence of 38D was conducted only on the current cases. From such legal due diligence, there are no court cases, disputes, or other legal proceedings that have not been finalized but the Company may still be prone to risk incidental to the past tax burden of 38D since no tax due diligence of 38D is conducted because it is an asset-holding company (leasehold rights) and has no core business operation. However, the Sellers of 38D Ordinary Shares have provided the representation and warranty and also specified the liability for such tax in the Draft 38D Share Purchase Agreement. There is also a condition that the Purchasers of 38D Ordinary Shares must notify the Sellers of 38D Ordinary Shares of the liability for any damage caused by the Sellers of 38D **Ordinary Shares'** breach of the representation and warranty within 12 months from the date of sale and purchase of the first 18% shares (if any). Therefore, once the Company has acquired 38D shares, it should thoroughly review all risks and notify the Sellers of 38D Ordinary Shares of its request in writing within 12 months from the date of sale and purchase of the first 18% shares (if any).

Transaction 2: Acquisition of Ordinary Shares in 3 Companies in order to Acquire Land and Leasehold Rights of the Property for the Development of the Lannatique Destination Project

Advantages and benefits of Transaction 2 are as follows:

- (1) The transaction aligns with the overall business strategy and development plan of the Company, which will lead to the creation of added value for investments in the long term and sustainable growth for the Company.

- (2) It is the investment portfolio management through development of a large mixed-use project which will diversify revenue to cover both core business groups of the Company.
The Company will increase its hotel room count by 550 rooms (if including the development of the project on adjacent area to 102-room DusitD2 Chiang Mai, the total room count will add up to 652 rooms). Additionally, there will be an increase in retail space for lease, which will contribute to an additional Net Leasable Area (NLA) of approximately 28,577 sq.m., generating additional revenue for the hospitality business and the retail and commercial buildings business.
- (3) The Company will acquire a large parcel of land in prime location with business potential, which currently is difficult to find in that area and is adjacent to the land belonging to the Company and suitable for developing large-scale Mixed-Used Project, and which will be used to support the operation and continuously generate cash flow, EBITDA, and income for the Company in the long term.
- (4) The project has an attractive selling point as it will feature the first large mixed-use project in Chang Khlan area, consisting of hotels, retail mall, commercial space, and an arts and culture exhibition zone, which will become Chiang Mai's and Thailand's new landmark.
The Lannatique Destination Project is a mixed-use property divided into 3 sub-projects: Lannatique The Plaza Project, Lannatique Bazaar Project, and Lannatique Kalare Project. It is constructed on a total area of 30-2-41.7 rai, which includes:
- (a) 3 hotels with 3 different styles: a luxury hotel featuring a water park and indoor amusement park and upper upscale hotels;
 - (b) The area for a lifestyle market and art market, an arts entertainment center, and crafts from across the Northern region, known as The Craft Village;
 - (c) The shopping center that features both luxurious zones in collaboration with global partners and rental space for retail stores and supermarkets; and
 - (d) The theme park, in collaboration with a global partner, includes a water park within the hotel. There are currently no amusement parks or water parks in the city center of Chiang Mai that is surrounded by various tourist attractions in diverse styles, making it another significant selling point of the project.
- (5) The Lannatique Destination Project is a key driver in enhancing and increasing the competitiveness of the Company's group, as well as facilitating economies of scale.
From the strengths of the location as described in (3) and the project's strengths as outlined in (4) above, which are significant selling points to drive the Lannatique Destination Project as a tourist destination and a new landmark in Chiang Mai, and as the main project to enhance and increase the competitiveness of AWC's business group in the heart of Chiang Mai, the project will be interconnected with AWC's existing businesses in Chiang Mai, making AWC's business group the owner of the most comprehensive and largest property development project in the Chang Khlan area and Chiang Mai Province.
- (6) PS2 continues to benefit from the car park building, while PCC and KCC have renovated some existing buildings, reducing the development time for the project.
- (7) The enlargement of the Company's size of business leads to higher operating income and increase of performing assets that can generate more revenue in the long run.

However, Transaction 2 is associated with the following disadvantages and risks:

- (1) The Company will incur higher debt obligations, interest expenses, and debt to equity (D/E) ratio.
- (2) There is time limit on the use of land for the Lannatique Bazaar Project according to the terms of the Land Lease Agreement.
PS2 will benefit from the use of these constructions and generate income from hotel operations and commercial leasing for a maximum duration of 15 years and 8 months (if operational by Q4/2029). This is a time limit on the use of land in accordance with the lease term. PS2 is still in negotiations to extend the lease for another 30 years from the end of the current Lease Agreement. However, when considering the return on investment according to the term of the Land Lease Agreement, the project is still considered as the worthwhile investment. Thus, if PS2 is unable to renew the lease, the overall return of the Lannatique Destination Project will not be affected. *(Please refer to additional details in Part 3, Clause 2.2.2, of this report)*
- (3) The land of the Lannatique Destination Project is subject to restrictions on its use in accordance with relevant laws and regulations.

The land use regulations for the Red Zone allow for commercial, residential, and tourism purposes. However, there are restrictions on land use in accordance with relevant laws governing construction control, which prohibit the construction of retail and wholesale commercial buildings with a total floor area exceeding 300 sq.m. In operating the business of renting of property to retail tenants in the shopping center of the Lannatique Destination Project, the Company is not required to obtain a business license and does not fall under the category of retail business operation (which is the direct sale of products to the end user) and wholesale business operation (which is the direct sale of products to the end user and/or distributor).

- (4) Risks involved with property development and business operation which may cause the project to fail to achieve the expected performance
- (4.1) Risk arising from competition among luxury hotels in downtown Chiang Mai and the nearby areas
- The Lannatique Destination Project, located in the heart of Night Bazaar, will offer 3 hotels with distinct styles. First, there will be a luxury hotel with an indoor water park and amusement park, connected to the lifestyle market. Next, an upper upscale hotel will provide an ambiance infused with the scent and culture of Japan, offering luxurious accommodations and Japanese-style atmosphere, along with concierge services and comprehensive facilities. Lastly, another upper upscale hotel will cater to families and MICE groups, as an extension of the Chiang Mai Marriott Hotel. The rooms will be decorated in a modern, contemporary style, complemented by artworks depicting the stories and lifestyles of the past of Lanna people.
- (4.2) Risks from competition in the shopping mall and community mall business in Chiang Mai Province.
- When considering shopping destinations in Chiang Mai Province, which are popular among Thai and foreign tourists, as well as local residents, foreigners residing in Thailand, students, and scholars, there are large department stores and community malls. These are mostly located in the outskirts of Chiang Mai city and along the superhighway. Meanwhile, the Lannatique Destination Project is in the heart of Nimmanhaemin Road and is the only project located in downtown Chiang Mai.
- (4.3) Risk potentially arising from reliance on purchasing power of the selected target groups that mostly are tourists (similar to Transaction 1)
- (4.4) Risk potentially arising from cost overrun (similar to Transaction 1)
- (4.5) Risk concerned with application for relevant permits such as the EIA approval, hotel business license, etc. (EIA) (similar to Transaction 1)
- (5) Risk incidental to the past tax burden of PCC, PS2, and KCC (similar to Transaction 1)

Transaction 3: Additional Payment for the Shares to Acquire the Investment Rights in the OP Garden Project

Advantages and benefits of Transaction 3 are as follows:

- (1) It is **consistent with the Company's overall business strategy and real estate development plan**, which will lead to the creation of long-term value and sustainable growth for the Company.
- (2) It is the management of the overall hospitality investment portfolio by increasing the total number of guest rooms and ratio of luxury hotels in the Company's portfolio.
- (3) The Company will acquire land and construction in a prime location with business potentials, which **currently is difficult to find in that area and in the same area as the Company's owned land, to build significant landmarks to generate cash flow, EBITDA, and recurring income for the Company in the long term.**
- (4) The OP Garden Project will be a part of enhancing and bolstering the competitiveness of the hospitality business group by creating a significant landmark for the Company, following the luxury hotel development plan in the Charoen Krung 36 - 40 area which is another culturally and architecturally rich district, contributing to economy of scale.

This integration across all three projects (The Plaza Athénée Nobu Hotel and Spa Bangkok, Nobu Hotel Bangkok, and the OP Garden Project) enhances competitiveness and attracts high-income tourists. Moreover, it maximizes land use efficiency and enables the Company to meet and respond to customer demands effectively. All 3 hotels are considered to complement each other, allowing for the allocation of comprehensive services for each project, ensuring that customers can utilize services without being competitive with each other. With the collaborative management by the

Company's teams, the Company shall benefit from economy of scale, which is considered as the optimization of resource management for the maximum benefit of the Company.

- (5) The **enlargement of size of the Company's business leads to higher operating income and increase** of performing assets that can generate more revenue in the long run.

However, Transaction 3 is associated with the disadvantages and risks similar to those of Transaction 1 and Transaction 2.

Benefits and advantages of the entering into the transactions with connected persons in comparison with the transactions with the third parties are as follows:

- (1) **The Company will be entitled to access the TCC Group's land bank that is in prime locations, which will support the Company's plan for continuous growth which will help create the advantages and** enhance its competitiveness against other large developers, thereby providing one of the key strengths for the Company.
- (2) The Company is granted flexible conditions from the Sellers.
The TCC Group (seller of ordinary shares in 38D, PCC, PS2, and KCC) has flexible investment and payment conditions to the Company, whereby the Company can divide the investment into 2 phase and obtain the rights to develop the projects when paying for the first 18% of shares of 38D, PCC, PS2, and KCC. This includes entering into management contracts to develop the projects for 38D, PCC, PS2, and KC, which enables the Company to commence project development immediately for timely service openings.
Payment for the Remaining Shares is allowed to be made within 5 years (by April 25, 2029, which is the period when each project is scheduled to commence operations) whether through a single purchase or multiple acquisitions, with additional payment of 5% p.a., compounded annually on the **unpaid balance. This will depend on the Company's financial management plan, by comparing its** finance cost, the possibility of other more worthwhile investment, and return on investment in each period as well as enable the Company to manage liquidity and debt to equity ratio effectively during project development in order to bring about the utmost benefit for the Company.
- (3) The Company has an opportunity to study information on the interesting properties as a basis for further planning and analysis of project feasibility before making an investment decision, together with flexibility in coordination.
- (4) The Company can keep confidential information of the project development during the negotiation for property acquisition.
- (5) The Company will indirectly benefit from the broad network and mutual support among diverse businesses in TCC Group.

Disadvantages of the entering into the transactions with connected persons in comparison with the transactions with the third parties are as follows:

- (1) The Company has to continuously rely on the connected persons (the Right Grantor) in procuring properties for its project development.

However, an investment decision under the Right Granting Agreement with the Grantor who own a large land bank and a great number of projects is considered beneficial to the Company. Besides, as the Company has no access and no offering from any third party, comparison with transactions with any third party is impractical in this case.

After considering objectives and necessities of the transactions as well as advantages, disadvantages, benefits, and risks, the Independent Financial Advisor is of the opinion that the entering into the asset acquisition and connected transactions under the **3** transactions shall benefit and support the continuous growth of the Company, and most of the risks are associated with the operation in the normal course of business. Therefore, the entering into the asset acquisition and connected transactions under these **3** transactions are considered reasonable.

Part 3: Opinion of the Independent Financial Advisor on the Appropriateness of the Acquisition Price and Conditions of the Asset Acquisition and Connected Transactions

The Independent Financial Advisor evaluates the appropriateness of acquisition price of assets by considering initial investment, which is the acquisition price of assets being acquired in these transactions and project development costs. Details of which are as follows:

Transaction 1: Acquisition of Ordinary Shares of 38 Development Company Limited (38D) in order to Acquire the Right for the Development of the Sukhumvit 38 Hotel Project

The Company and/or its subsidiaries will purchase 300,000 ordinary shares, or equivalent to 100% of total shares of 38D, in the amount of THB 998.00 million (exclusive of additional payments). The Company also plans to make additional investment for development of the Sukhumvit 38 Hotel Project at the amount of Baht **2,005.20** million (inclusive of VAT).

Transaction 2: Acquisition of Ordinary Shares of The Plaza Chiangmai Company Limited (PCC), Permsub Siri 2 Company Limited (PS2), and Kalare Chang Klan Chiangmai Company Limited (KCC) in order to Acquire Land and Constructions and the Rights for Development of the Lannatique Destination Project

The Company and/or its subsidiaries will purchase all ordinary shares of PCC, PS2, and KCC in the total amount of THB **3,448.00** million (exclusive of additional payments). The Company also plans to make additional investment for development of the Lannatique Destination Project at the amount of Baht **8,502.2** million (inclusive of VAT).

Transaction 3: Additional Payments for the Rights in The OP Garden Project

The Company and/or its subsidiaries will additionally invest in ACA by paying an additional price for the shares, in order to obtain the rights in the OP Garden Project, in the amount of THB **440.00** million. The OP Garden Project comprises of freehold land and constructions with a total area of 0-3-90 rai and the leasehold land with a total area of 0-0-76.6 rai. The Company also plans to make additional investment for development of The OP Garden Project at the amount of Baht 623.40 million (inclusive of VAT).

In determining fair value of the assets being acquired, the Independent Financial Advisor evaluates the appropriateness of the transactions based on information and documents obtained from the Company such as business plans of the Company, financial forecasts of these **3** projects, audited financial statements and internal financial statements of 38D, PCC, PS2, and KCC, historical performance **of AWC's 7 hotels in Bangkok namely** The Athenee Hotel Bangkok, The Okura Prestige Bangkok, Bangkok Marriott Marquis **Queen's Park Hotel, Bangkok Marriott Hotel The Surawongse, Hilton Sukhumvit** Bangkok, Le Meridien Bangkok, and Double Tree by Hilton Hotel Sukhumvit Bangkok, and 2 hotel of AWC located in Chiang Mai, namely, Le Meridien Chiang Mai and Melia Chiang Mai, and historical performance of retail projects of the Company, namely, Gateway Ekamai Project, Pantip Plaza Ngamwongwan, Pantip Plaza Bangkok, Asiatique The Riverfront, Lasalle 1 Project, Gateway Bang Sue Project, and Tawanna 1 Project, and other relevant documents to these transactions including publicly disclosed information such as Form 56-1 One Report, audited and reviewed financial statements of the Company, Information Memorandum on Asset Acquisition and Connected Transactions of the Company, the Property Appraisal Reports by CBRE (Thailand) Company Limited and Knight Frank Chartered (Thailand) Company Limited, industry information, financial information from various websites, and **information from the SEC's website (www.sec.or.th) and the SET's website (www.set.or.th).**

The Independent Financial Advisor renders its opinion based on the assumptions that all information and documents are accurate and complete, and reflects current and normal operating environment and most up-to-date information at the time of issuance of this report. Any change of such information may have material impact on the Company and the 3 projects, the entering into these transactions, and the Independent Financial Advisor's **opinion on these transactions**, as well as the **shareholders' decisions**.

Transaction 1: Acquisition of Ordinary Shares of 38 Development Company Limited (38D) in order to Acquire the Rights for the Development of the Sukhumvit 38 Hotel Project

Since 38D has no business operation and its main assets is leasehold right on a plot of land with total area of **2-0-18** rai (3,272 sq.m. or 818 sq.wah), and the acquisition of all ordinary shares of 38D is to acquire leasehold rights of land for development of the Sukhumvit 38 Hotel Project, in order to determine value of 38D ordinary shares and investment in the Sukhumvit 38 Hotel Project, the Independent Financial Advisor shall apply valuation approaches as follows:

- 1) Evaluate fair value of ordinary shares of 38D by comparing with the appraisal price of the leasehold rights of land determined by an independent property appraiser (CBRE).
- 2) In determining the appropriateness of investment in the Sukhumvit 38 Hotel Project, the Independent Financial Advisor considered future free cash flow (FCF) of the Sukhumvit 38 Hotel Project to calculate:
 - Internal rate of return ("IRR") of the Sukhumvit 38 Hotel Project;
 - Net present value ("NPV") of the Sukhumvit 38 Hotel Project by using the weighted average cost of capital ("WACC") of the Sukhumvit 38 Hotel Project as a discount rate; and
 - Payback Period of the Sukhumvit 38 Hotel Project.

Summary of the valuation are as follows:

1.1 Fair Value of Ordinary Shares of 38D in order to Acquire the Rights for Development of the Sukhumvit 38 Hotel Project

The Independent Financial Advisor has determined fair value of ordinary shares of 38D in order to acquire the rights for development of the Sukhumvit 38 Hotel Project by comparing to the appraised price of the leasehold rights of land determined by an independent property appraiser.

The Company appointed CBRE (Thailand) Company Limited ("CBRE"), an independent property appraiser approved by the SEC, to appraise value of leasehold rights of land. CBRE conducted the property appraisal on January 16, 2024, for public purpose, to determine a fair market value of the assets according to the appraisal report dated January 16, 2024 (No. I241011001) by using the Market Comparison Approach. Details of the asset appraisal are as follows:

CBRE determines value of a plot of land with total area of **2-0-18.0** rai (**3,272** sq.m.), which is located on Soi Sukhumvit 38, Phra Khanong Sub-district, Khlong Toei District, Bangkok. Summary of land details and valuation is as follows:

No.	Title Deed No.	Parcel No.	Dealing File No.	Land Area as per Title Deed			Owner	Encumbrance
				Rai	Ngan	Sq.wah		
1	7314	1039	244	2	0	18.0	Non-related entity	None

The property is currently occupied under long-term lease with a total lease term of 60 years. The lease is divided into **2** periods of 30 years each: the first period is April 1, 2029 – March 31, 2059, and the second period is April 1, 2059 – March 31, 2089. This is based on 2 main Lease Agreements (dated October 18, 2016 and October 19, 2016, respectively), a Memorandum on Transfer of Rights and Obligations Under the Lease Agreement (dated February 12, 2018), an Amendment to the Lease Agreement (dated August 23, 2021), and the 3rd Amendment to the Lease Agreement (dated September 28, 2023).

CBRE has appraised the value of the property under a special assumption that the appraised property is vacant land, excluding the value of the constructions, demolition expenses or relocation expenses, and/or other relevant expenses.

CBRE employs the Market Comparison Approach to determine fair market value of such land by selecting market data on comparable land that was offered for sale or was sold. Subsequently, the adjustment was made to reflect the difference between the appraised land and the actual selling price of the comparable assets. In this regard, there were 4 selected data of land for comparison having an offering price/selling price in a range of Baht 1.65 – 2.00 million per sq.wah. Then, value of land was adjusted by various factors such as location, size and shape of land, characteristics, type and quality of development, and time period. CBRE also assigned scores using the weighting method as a price adjustment factor in the comparison with the property.

Details	Appraised Land	Data 1	Data 2	Data 3	Data 4
Type of property	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land
Location	Soi Sukhumvit 38, Sukhumvit Rd., Phra Khanong, Khlong Toei, Bangkok	Sukhumvit Rd., Phra Khanong, Khlong Toei, Bangkok	Sukhumvit Rd., Phra Khanong, Khlong Toei, Bangkok	Soi Sukhumvit 38, Sukhumvit Rd., Phra Khanong, Khlong Toei, Bangkok	Soi Sukhumvit 38, Sukhumvit Rd., Phra Khanong, Khlong Toei, Bangkok
Land area	2.045 rai (818 sq.wah)	2.50 rai (1,000 sq.wah)	1.02 rai (407 sq.wah)	2.09 rai (836 sq.wah)	2.11 rai (844 sq.wah)
Frontage width (meters)	45	30	35	40	90
Land shape	Polygon	Rectangle	Nearly rectangle	Nearly rectangle	Rectangle
Land level/filling	Filled to road level	Filled to road level	Filled to road level	Filled to road level	Filled to road level
City plan	High density residential zone (Brown Yor. 10)	High density residential zone (Brown Yor. 10)	High density residential zone (Brown Yor. 10)	High density residential zone (Brown Yor. 10)	High density residential zone (Brown Yor. 10)
Offering price/sale and purchase price (Baht/sq.wah)		1,750,000	2,000,000	1,650,000	1,878,614
Adjustment from selling price and selling period		+25%	+10%	+25%	+15%
Post adjustment price (Baht/sq.wah)		2,187,500	2,200,000	2,062,500	2,160,406
Factors					
Location		0%	0%	0%	0%
Surrounding and environment		0%	0%	0%	0%
Frontage road/road access		0%	0%	15%	15%
Public transportation		0%	0%	5%	10%
Land size		0%	0%	0%	0%
Frontage width		0%	0%	0%	0%
Land shape		-5%	-5%	-5%	-5%
Land conditions		0%	0%	0%	0%
City plan		0%	0%	0%	0%
Development potentials		0%	0%	5%	5%
Cumulative weight		-5%	-5%	20%	25%
Adjusted price (Bath/sq.wah)		2,078,125	2,090,000	2,475,000	2,700,507
Weighted score		25%	25%	25%	25%
Adjusted price x weighted score (rounding)		Baht 2,340,000 per sq.wah or Baht 936,000,000 per rai			
Value of freehold land		Baht 1,914,100,000			
Value of 60-year leasehold rights of land		Baht 1,145.00 ^{1/2/} million (rounding) (Baht 1.40 million per sq.wah or Baht 560.00 million per rai)			

Source: Property Appraisal Report No. I24011001 dated January 16, 2024 prepared by CBRE (Thailand) Company Limited

Remark: 1/ CBRE appraised the value of 60-year leasehold rights of land at 60% of value of freehold land, which is based on **CBRE's experience and database.**

2/ No adjustment to the present value of annual rent due to there is no annual rent throughout the lease period.

Fair value of 60-year leasehold rights of land determined by CBRE, according to the Property Appraisal Report No. I24011001 dated January 16, 2024 is equal to Baht 1.40 million per sq.wah or equivalent to total value of **Baht 1,145.00 million.**

The Independent Financial Advisor is of an opinion that the Market Comparison Approach is an appropriate method in determining value of assets that has available comparable and sufficient market price. In addition, the Independent Financial Advisor views that the comparable data of vacant land used herein are reasonable as they are located in nearby areas on Soi Sukhumvit 38 or Sukhumvit Road. Moreover, CBRE made adjustment to various factors according to the characteristics of each asset comparing to those of the appraised asset. Therefore, the adjusted value should be able to reflect appropriate and more comparable value.

Summary of the Opinion of the Independent Financial Advisor on Fair Value of the Ordinary Shares of 38D

Comparison of acquisition price of ordinary shares of 38D and fair value of asset (leasehold rights of land) as determined by CBRE is as follows:

Sukhumvit 38 Hotel Project (38D)	Fair Value of 38D Shares (Baht million)	Acquisition Price of 38D Shares (Baht million)	Fair Value Higher (Lower) than Acquisition Price	
			(Baht million)	(%)
	(1)	(2)	(3) = (1) – (2)	(4) = (3)/(2)
Leasehold rights of land (core assets of 38D)	1,145.00 ^{1/}	998.00 ^{2/}	147.00	14.73%

Remark:

- 1/ Fair value of leasehold rights of land based on the Property Appraisal Report No. I241011001 dated January 16, 2024, prepared by CBRE (Thailand) Company Limited.
- 2/ Acquisition price of all ordinary shares of 38D is equal to Baht 998.00 million (exclusive of additional payments in the future).

The appraised value of leasehold rights of land (or all ordinary shares of 38D) determined by CBRE is equal to Baht 1,145.00 million, which is higher than the acquisition price of all ordinary shares of 38D by Baht 147.00 million, or 14.73% higher than the acquisition price. Therefore, the Independent Financial Advisor is of the opinion that the acquisition price of ordinary shares of 38D in the total amount of Baht 998.00 million (exclusive of additional payments in the future) is appropriate.

1.2 The Appropriateness of Investment in the Sukhumvit 38 Hotel Project by Evaluating Free Cash Flow of the Project (FCF)

In determining the appropriateness of entering into the transaction, the Independent Financial Advisor has estimated free cash flow of the Sukhumvit 38 Hotel Project based on financial projection prepared by management of the Company and historical operating performance of other 7 hotels of the Company, namely The Athenee Hotel Bangkok, The Okura Prestige Bangkok, Bangkok Marriott Marquis **Queen's Park Hotel, Bangkok Marriott Hotel The Surawongse, Hilton Sukhumvit Bangkok, Le Meridien Bangkok**, and Double Tree by Hilton Hotel Sukhumvit. The Independent Financial Advisor adjusted some assumptions in order to reflect industrial and economic conditions based on conservative basis. The Independent Financial Advisor has prepared a 65-year financial projection (2024 - 2088), to align with the project development period and term of the Lease Agreement (term of the Lease Agreement is 30 years + 30 years from the commercial operation date) under the assumption that there is no significant change under normal economic conditions and circumstances.

The Independent Financial Advisor constructs the financial projection based on industry information and historical performance of the Company in normal situation in 2019 (before COVID-19 pandemic in Thailand) and in 2022 – 2023 (after the relaxation and termination of COVID-19 control measures). Preparation period and construction period of the Sukhumvit 38 Hotel Project is around 40 months, and the Sukhumvit 38 Hotel Project is scheduled to open in Q3/2028.

The Sukhumvit 38 Hotel Project

The Sukhumvit 38 Hotel Project will be developed as a luxury - upper upscale hotel⁵⁰ located on luxury lifestyle neighborhoods on Thong Lo – mid-Sukhumvit with convenient transportation. The hotel will be 28-storey building with rooftop and 2 basement floors, and will offer 242 rooms (room size of approximately 46 – 276 sq.m.) with full facilities such as large conference room of 1,500 sq.m., restaurants, lounges, pool bar, ballroom, conference rooms, fitness center, and swimming pool on the rooftop floor.

Target customers of the Sukhumvit 38 Hotel Project are business traveler/expat (both Thai and foreigner), travelers, and wellness customers. The project will have full facilities, emphasizing sustainability, art, and modernity. The Company plans to cooperate with world-class partners to serve the demand of the Thong Lo market, which is a lifestyle and premium residential area surrounded by small and large office buildings, as well as convenient transportation.

The construction and development budget (exclusive of land price) of the Sukhumvit 38 Hotel Project is approximately Baht **2,005.20** million (inclusive of VAT) for the Gross Floor Area (GFA) of **24,606.00** sq.m. and Net Leasable Area (NLA) of **15,453.00** sq.m. Details of the budget are as follows:
(Unit: Baht million)

Sukhumvit 38 Hotel Project	Project Development Budget ^{1/} (Exclusive of VAT)	Project Development Budget ^{1/} (Inclusive of VAT)
Construction and development costs	1,826.22	1,954.05
Pre-opening expenses	47.80	51.15
Total	1,874.02	2,005.20

Remark: 1/ Exclusive of land price and financial cost.

Please refer to Hotel Industry and Retail Property Outlook in Attachment 5 of this report.

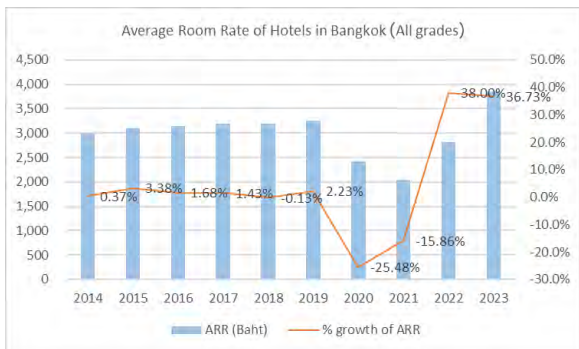
Key assumptions used in financial projection of the Sukhumvit 38 Hotel Project are as follows:

⁵⁰ The Company has categorized level of hotels in Thailand by following JLL's guideline as follows:

- Luxury: size of standard room of more than 30 sq.m., various facilities including F&B outlets (usually 3 or more), swimming pool, spa, fitness center, meeting rooms, lounges and other facilities, high quality of interior and exterior decoration, employee ratio of more than 3 per number of guests, and international standard for fire alarm and safety system
- Upper Upscale/Upscale: size of standard room of more than 25 sq.m., various facilities including F&B outlets (usually 2 or more), swimming pool, spa, fitness center, meeting rooms, high quality of interior and exterior decoration, employee ratio of more than 2 per number of guests, and international standard for fire alarm and safety system
- Upper Midscale/Midscale: size of standard room of more than 20 sq.m., various facilities including F&B outlets (usually 1 - 2), limited recreation facilities with smaller size (swimming pool, spa, fitness center and meeting rooms), moderate quality of interior and exterior decoration, employee ratio of more than 1.5 per number of guests, and international standard for fire alarm and safety system.
- Budget: size of standard room of more than 15 sq.m., very limited facilities with 0 - 1 F&B restaurant and no recreation facilities, low quality of interior and exterior decoration, employee ratio of less than 1.5 per number of guests, and international standard for fire alarm and safety system.

(Source: AWC's Annual Registration Statement/Annual Report 2022 (Form 56-1 One Report))

- Revenue from hotel business
Revenue from hotel business comprises of room revenue, F&B revenue, and other revenues.
Key assumptions are as follows:

Description	Assumption	Remark																																	
Opening date	Q3/2028																																		
No. of guest rooms	242 keys																																		
Room revenue																																			
Average room rate (ARR)	Year 2028 - 2029: Baht 7,950 ^{1/} per room Year 2030: increased 8.00% p.a. Year 2031: increase by 6.00% p.a. Year 2032: increase by 5.00% p.a. Year 2033 - 2088: increase by 3.00% p.a.	<ul style="list-style-type: none"> ARR growth in the early period is normally higher than industry average as the new hotels are more attractive than the old ones, resulting in higher room rate than normal. Long-term growth is based on the compound annual growth rate (CAGR) of Bangkok Hotels' average room rate in the past 10 years of 3% p.a. <p>(Source: IFA collected historical ADR from Q2-2023 Bangkok Property Report prepared by CBRE Research)</p>  <table border="1"> <caption>Average Room Rate of Hotels in Bangkok (All grades)</caption> <thead> <tr> <th>Year</th> <th>ARR (Baht)</th> <th>% growth of ARR</th> </tr> </thead> <tbody> <tr><td>2014</td><td>~2,800</td><td>0.37%</td></tr> <tr><td>2015</td><td>~3,000</td><td>3.38%</td></tr> <tr><td>2016</td><td>~3,100</td><td>1.68%</td></tr> <tr><td>2017</td><td>~3,200</td><td>1.43%</td></tr> <tr><td>2018</td><td>~3,300</td><td>0.13%</td></tr> <tr><td>2019</td><td>~3,400</td><td>2.23%</td></tr> <tr><td>2020</td><td>~2,200</td><td>-25.48%</td></tr> <tr><td>2021</td><td>~2,000</td><td>-15.86%</td></tr> <tr><td>2022</td><td>~2,800</td><td>36.73%</td></tr> <tr><td>2023</td><td>~3,800</td><td>43.00%</td></tr> </tbody> </table>	Year	ARR (Baht)	% growth of ARR	2014	~2,800	0.37%	2015	~3,000	3.38%	2016	~3,100	1.68%	2017	~3,200	1.43%	2018	~3,300	0.13%	2019	~3,400	2.23%	2020	~2,200	-25.48%	2021	~2,000	-15.86%	2022	~2,800	36.73%	2023	~3,800	43.00%
Year	ARR (Baht)	% growth of ARR																																	
2014	~2,800	0.37%																																	
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2021	~2,000	-15.86%																																	
2022	~2,800	36.73%																																	
2023	~3,800	43.00%																																	
Occupancy rate	Year 2028: 60.00% Year 2029: 70.00% Year 2030: 75.00% Year 2031 - 2088: 80.00%	<ul style="list-style-type: none"> The Company base the projection of occupancy rate growth on historical information, together with the estimation of occupancy rate by the hotel operator. In 2012 – 2019, occupancy rate of Bangkok Luxury Hotels was in the range of 65% - 75%, and occupancy rate of Upscale Hotels was in the range of 70% - 80%. (Please refer to Figure 37 in Attachment 5 of this report) In addition, according to historical data of 7 hotels of the Company in Bangkok, the occupancy rate in 2019 was in a range of 74.9% - 90.7%, while the occupancy rate of the hotels with ARR of more than Baht 5,000 was in the range of 76.7% - 83.1%. In 2023, the occupancy rate of 7 hotels of the Company in Bangkok was in the range of 33.40% - 83.00%, which was lower than that of 2019. 																																	
Food and beverage revenue																																			
Food and beverage revenue ratio	Year 2028 - 2088: 45.50% of room revenue	<ul style="list-style-type: none"> The Sukhumvit 38 Hotel Project will have restaurants, lounges, and pool bars with total areas of 1,049 sq.m. (6.8% of NLA), and ballrooms and meeting rooms with total area of 1,500 sq.m. (9.7% of NLA). According to the historical data of 7 hotels of the Company in Bangkok, ratio of food and beverage revenue in 2019 was in the range of 22.78% - 108.51% of room revenue, where the MICE and F&B hotels appeared to have ratio of food and beverage revenue of over 50% of room revenue. 																																	
Other revenues^{2/}																																			
Other revenues ratio	Year 2029 - 2089: 6.00% of room revenue	<ul style="list-style-type: none"> The other revenues ratio is close to historical ratio of the <u>same hotel brand of this project</u>. From the historical data of 7 hotels of the Company in Bangkok, ratio of other revenues in 2019 was in the range of 2.60% - 6.56% of room revenue (the average of 4.06% of room revenue). In 2023, ratio of other revenues of 7 hotels of the Company in Bangkok was in the range of 1.19% - 6.15% of room revenue (the average of 3.51% of room revenue), which was lower than that of 2019. 																																	

Remark:

- 1/ The Company estimated the average room rate in the first year (2029) of Baht 7,950 per night, which is the price in the next 4 years. The room size of the Sukhumvit 38 Hotel Project of 42 – 280 sq.m. and various facilities are also taken into consideration. In addition, the Independent Financial Advisor has reviewed recent room rate of luxury hotels and key competitors in nearby areas as follows:

	Hotel	Opening Year	Location	No. of Room (keys)	Room Area (sq.m.)	Average Room Rate – Deluxe room ^{a/} (Baht/night)
	Comparable hotels					
1	InterContinental Bangkok Sukhumvit	2023	Sukhumvit 59	241	34 - 68	6,982
2	Hotel Nikko Bangkok	2023	Thong Lo	301	36 - 130	5,027
3	Bangkok Marriott Hotel Sukhumvit	Renovated 2019	Sukhumvit 57	295	36 – 165	6,250
4	Madi Paidi Bangkok	2023	Sukhumvit 53	56	33 – 56	5,553
5	Ascott Thonglor	2022	Sukhumvit 59	451	35 – 140	4,992
	Indirect comparable hotels					
6	Carlton Hotel Bangkok Sukhumvit	Renovated 2020	Sukhumvit 29	344	37 – 129	4,597
7	The Okura Prestige Bangkok	2012	Wireless Rd.	240	43 – 97	7,029
8	Bangkok Marriott Marquis Queen's Park	2016	Sukhumvit 22	1,388	34 – 1,000	5,000
9	Hilton Sukhumvit Bangkok	2013	Sukhumvit 24	280	36 - 138	4,548
	Sukhumvit 38 Hotel Project	Q3/2028	Sukhumvit 38	242	46 – 276	n.a.

Source: www.booking.com (information as of January 10, 2024)

Remark: In general, room rate depends on location, room size, luxury level and facilities, season, and novelty.

a/ Room rate for smallest size room (34 – 43 sq.m.) for 2 person exclusive of breakfast, VAT, and fee.

- 2/ Other revenues are revenue from service of other departments such as spa revenue, laundry revenue, telephone charge, revenue from convenience/souvenir shops, and other income.

▪ Cost and expenses

Key assumptions are as follows:

Description	Assumption	Remark
Cost of sales and services		
Cost of room services ^{1/}	Year 2028 - 2029: 24.50% of room revenue Year 2030: 24.00% of room revenue Year 2031: 23.50% of room revenue Year 2032 - 2088: 23.00% of room revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of room services in 2019 was in the range of 17.00% - 24.00% of room revenue (the average of 20.57% of room revenue). - In 2023, ratio of cost of room services of 7 hotels of the Company in Bangkok was in the range of 18.00% - 25.00% of room revenue (the average of 21.29% of room revenue).
Cost of food and beverage ^{2/}	Year 2028 - 2029: 67.50% of F&B revenue Year 2030: 67.00% of F&B revenue Year 2031: 66.50% of F&B revenue Year 2032 - 2088: 66.00% of F&B revenue	According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of food and beverage in 2019 was in the range of 54.00% - 83.00% of food and beverage revenue, where the MICE and F&B hotels (4 hotels), which is similar to the Sukhumvit 38 Hotel Project, appeared to have average ratio of cost of food and beverage of 66.25% of food and beverage revenue.
Cost of services of other departments ^{3/}	Year 2028 - 2029: 42.00% of other revenues Year 2030: 41.50% of other revenues Year 2031: 41.00% of other revenues Year 2032 - 2088: 40.50% of other revenues	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of services of other departments in 2019 was in the range of 27.00% - 60.00% of other revenues (the average of 39.14% of other revenues). - In 2023, ratio of cost of services of other departments of 7 hotels of the Company in Bangkok was in the range of 15.00% - 72.00% of other revenues (the average of 45.43% of other revenues), which was higher than that of 2019.
Selling and administrative expenses		
Overhead department expenses ^{4/}	Year 2028: 30.50% of total revenue Year 2029: 26.00% of total revenue Year 2030: 24.50% of total revenue Year 2031: 23.50% of total revenue Year 2032 - 2088: overhead department expenses (excluding marketing expense) increase by 2.00% p.a. ^{5/} and marketing expense is equal to 5.50% of total revenues	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of overhead department expenses in 2019 was in the range of 21.00% - 27.00% of total revenue (the average of 23.71% of total revenue). - In 2023, ratio of overhead department expenses of 7 hotels of the Company in Bangkok was in the range of 20.00% - 44.00% of total revenue (the average of 28.14% of total revenue), which was higher than that of 2019 since total revenue in 2023 was lower than that of 2019.
Land and building tax, insurance premium, and other expenses	Year 2028 – 2088: 1.15% – 1.55% of total revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of land and building tax, insurance premium, and other expenses in 2019 was in the range of 0.64% - 2.09% of total revenue (the average of 1.35% of total revenue).
Hotel management fee	Base management fee and incentive management fee are assumed at the rate as agreed with the hotel management chain.	

Description	Assumption	Remark
Asset management fee ⁵¹		
Asset management fee	Asset management fee is assumed at 1.50% of asset value (calculated from acquisition price of land, investment budget of the project, and annual capital expenditure), which is based on the Company's policy.	

Remark:

- 1/ Cost of room services consists mainly of employee expenses, utilities expenses, and other expenses such as laundry expenses, cleaning expenses, and other room amenities expenses.
- 2/ Cost of food and beverage consists mainly of food and beverages expenses, employee expenses, utilities expenses, and other expenses.
- 3/ Cost of services of other departments mainly consists of cost of spa service, laundry, telephone charge, convenience/souvenir shops, and other costs. Cost of services of each department comprises of direct service costs, employee expenses, and other expenses.
- 4/ Overhead department expenses consist of management fee, repair & maintenance and utilities expenses, IT expenses, utilities expenses, and marketing expenses.
- 5/ Reference to the average 20-year historical growth rate of Consumer Price Index (2005 – 1M/2024) of 2.00% p.a.

Most cost and expense estimates are based on estimation of operating performance presented by hotel operator and/or estimates based on historical performance of the Company. The Independent Financial Advisor has reviewed the accuracy of cost and expense estimates by comparing with the operating performance of other hotels of the Company that are similar or in the same area. It was found that the estimated ratio of cost and expenses is viable under the Company's management.

In addition, cost expenses in the early stage will be higher than the period when the hotel has stable operating performance because revenue and occupancy rate will gradually increase while some fixed costs, such as employee salaries and benefits, utilities expense, security expense, cleaning expense, and repair and maintenance cost, do not increase in proportion to the increase in income.

- Financial cost

The Company assumes ratio of loan to shareholders' equity of the Project at 60:40 based on target debt to equity ratio of the Group of Company.

The IFA assumes the cost of debt of the project at 5.00% p.a. in 2024 – 2029, based on the interest rate to be paid to the Sellers of 38D Ordinary Shares for delay of payment. From 2030 onward, the cost of debt is assumed at 4.20% p.a. (the Company estimated interest rate on long-term loan of 4.20% p.a., which is the rate after interest rate swap from floating to fixed rate).

- Corporate income tax

The IFA assumes corporate income tax rate of **20%** throughout the projection period.

- Project development cost

Project development cost of the Sukhumvit 38 Hotel Project is estimated at Baht 1,874.02 million (exclusive of VAT). The project development cost shall be gradually invested during 2024 - 2028. Summary of cash outflow for project development is as follows:

(Unit: Baht million)

Sukhumvit 38 Hotel Project	2024F	2025F	2026F	2027F	2028F	Total
Project development cost	73.05	173.49	483.95	821.80	273.93	1,826.22
Pre-opening expenses (realized to P&L ^{1/})	-	-	-	23.90	23.90	47.80
Total (exclusive of VAT) ^{2/}	76.70	182.17	508.15	845.70	297.83	1,874.02

Remark: 1/ Pre-opening expenses shall be realized to income statement in 2027 - 2028.

2/ Exclusive of land price and financial cost.

The average development cost of the Sukhumvit 38 Hotel Project is equal to Baht 74,218.43 per sq.m., or Baht 7.64 million per room (exclusive of pre-opening expenses). From the historical information of the Company, average project development cost is approximately Baht 50,000 – 75,000 per sq.m.⁵² In addition, from industry information, construction cost of hotels is approximately Baht 5 –

⁵¹ Asset management fee is recorded in income statement of 38D for the purpose of tax calculation but such amount is added back when calculate cash flow of the project.

⁵² Reference to the project development cost of the Aquatique by the Beach Project (AQT) – Hotel Part, Woeng Nakhon Kasem Project, The Imperial Golden Triangle Resort Hotel Project, Swan Project, and Song Wat Project.

10 million per room.⁵³ However, project development cost of each project will depend on the investment model, project format, design, and luxury level of the project.

- Capital expenditure

The Independent Financial Advisor assumes capital expenditure of 4.00% of total revenue, based on hotel industrial standard.

- Assets and liabilities turnover

Based on the Company's policy and industry information as follows:

Trade account receivables	30.00	days on average
Inventory	12.00	days on average
Trade account payables	30.00	days on average

- Summary of financial projection of the Sukhumvit **38** Hotel Project

(Unit: Baht million)

Sukhumvit 38 Hotel	2028F ^{1/}	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F – 2087F	2088F ^{1/}
Room revenue	140.83	491.56	568.80	643.12	675.28	695.54	716.41	737.90	760.03	782.84 – 3,431.88	2,353.33
F&B revenue	64.08	223.66	258.80	292.62	307.25	316.47	325.96	335.74	345.82	356.19 – 1,561.50	1,070.76
Other revenues	8.45	29.49	34.13	38.59	18.44	18.99	19.56	20.14	20.75	21.37 – 93.69	64.25
Total revenue	213.36	744.71	861.73	974.33	1,000.97	1,031.00	1,061.93	1,093.79	1,126.60	1,160.40 – 5,087.07	3,488.34
Total cost of sales and services	(81.30)	(280.06)	(319.77)	(356.68)	(365.57)	(376.53)	(387.83)	(399.47)	(411.45)	(423.79) – (1,857.87)	(1,273.99)
Gross profit	132.05	464.64	541.97	617.66	635.40	654.46	674.10	694.32	715.15	736.60 – 3,229.20	2,214.35
EBITDA before asset management fee	57.92	238.47	293.02	346.07	357.02	368.86	380.77	393.38	406.38	419.79 – 2,034.97	1,396.98
EBITDA	(13.62)	190.38	244.42	296.89	307.23	318.46	329.73	341.68	354.01	366.73 – 1,911.81	1,314.88
EBIT	(57.15)	57.25	104.39	149.06	151.40	168.26	201.34	211.44	222.55	233.99 – 1,780.74	1,270.33
Net profit	(84.96)	(28.16)	26.16	77.29	76.91	91.51	126.25	143.15	160.95	180.51 – 1,424.59	1,016.26

Remark: 1/ The project is scheduled for opening in Q3/2028 and will operate until Q3/2088, according to the term of Lease Agreement.

- Terminal value growth

The IFA assumes that terminal value shall equal to zero.

The terms of the Leasehold Agreements dated October 18, 2016 and October 19, 2016 stated that **“upon the expiration of the lease term or upon the termination of the lease for any reason, the tenant shall return the possession of the leased property in a normal state of wear and tear to the landlord within 3 months”**.

- Discount rate

The Independent Financial Advisor employs the weighted average cost of capital (WACC), which is derived from the weighted average of cost of debt (Kd) and cost of equity (Ke), as a discount rate to calculate present value of free cash flow from the project based on the following formula:

$$WACC = Ke * E/(D+E) + Kd * (1-T) * D/(D+E)$$

where Ke = **Cost of equity or shareholders' required rate of return (Re)**

Kd = Cost of debt or interest rate on loan of the project

T = Corporate income tax rate

E = Total shareholders' equity

D = Interest-bearing debt

Cost of equity (Ke) or the required rate of return for shareholders (Re) is derived from the Capital Asset Pricing Model (CAPM) as follows:

$$Ke \text{ (or Re)} = Rf + \beta (Rm - Rf)$$

Where:

⁵³ (1) Average investment budgets for Grand Center Point Space Pattaya and 4 future hotels of LH Mall & Hotel Company Limited is *Baht 5 – 10 million per room* (<https://www.bangkokbiznews.com/business/business/1100382>)

(2) Project development cost of Sathon Project One is at an average of Baht **7.43** million per room (Source: Form 69-II&HNW of Bound and Beyond Public Company Limited, issued in March 2022).

(3) Dusit Central Park is 5-star hotel with 330 rooms and construction area of 42,000 sq.m. (excluding parking space). Investment budget is at approximately Baht 3,113 million (exclusive of land price, leasehold right, and financial fee). Average construction cost of Dusit Central Park Project is equal to Baht 74,119 per sq.m. or approximately Baht 9.43 million per room. (Source: IFA Opinion on the Asset Acquisition and Disposition of Dusit Thani Public Company Limited by Silom Advisory Company Limited dated April 5, 2017)

Risk Free Rate (Rf) = 3.34% p.a., based on 30-year government bond yield (information as of February 15, 2024) which is the longest Thai government bond regularly issued and offered in the market under the assumption that the Company is on a going concern basis

Beta (β) = 0.69 – 1.43 times, based on the Unlevered Beta of the Company (360 trading days historical average up to February 15, 2024) and adjusted with estimated interest-bearing debt to equity ratio of the project
(Beta of the Sukhumvit 38 Hotel Project is equal to 1.16 – 1.43 times in 2024 – 2028, 1.34 – 1.02 times in 2029 – 2033, 0.92 – 0.69 time in 2034 – 2038, and 0.69 time in 2039 – 2088)

Market Risk (R_m) = 10.17% p.a., which is the 31-year average of annual return from investment in the SET from 1992 – 2023 (period of the enforcement of Securities and Exchange Act B.E. 2535) as it is the most suitable period to reflect average return from the SET

K_d = Estimated cost of debt of the project is equal to 5.00% p.a. in 2024 – 2028, based on the additional payment to be paid to the Sellers of 38D Ordinary Shares for delay of payment and on conservative basis, and 4.20% p.a. from 2029 onwards, based on the estimated interest rate on long-term loan of the project, which is slightly higher than the current average borrowing cost of the Company

D/E Ratio = 0 – 1.36 times, which is the target D/E ratio of the project in the future

T = Estimated corporate income tax rate of 20% p.a.

From the aforementioned assumptions, WACC is equal to 7.53% – 8.03% p.a. (average of 7.98% p.a.).

Summary of cash flows of the Sukhumvit 38 Hotel Project is as follows:

(Unit: Baht million)

Sukhumvit 38 Hotel Project	2024F	2025F	2026F	2027F	2028F ^{1/}	2029F	2030F	2031F	2032F	2033F
EBITDA excl. AM Fee ^{2/}	0.00	0.00	0.00	(23.90) ^{4/}	34.02 ^{4/}	238.47	293.02	346.07	357.02	368.86
Corporate income tax	0.00	0.00	0.00	0.00	0.00	0.00	(16.12)	(29.81)	(30.28)	(33.65)
Working capital	0.00	0.00	0.00	0.00	(3.25)	(19.65)	(5.13)	(4.99)	(1.06)	(1.14)
Capital Expenditure	(73.05) ^{3/}	(173.49) ^{3/}	(483.95) ^{3/}	(821.80) ^{3/}	(282.47) ^{3/}	(29.79)	(34.47)	(38.97)	(40.04)	(41.24)
Free cash flow of the project	(73.05)	(173.49)	(483.95)	(845.70)	(251.71)	189.02	237.30	272.30	285.64	292.83
PV of FCF	(69.44)	(152.87)	(395.31)	(640.37)	(176.75)	123.44	145.98	155.71	150.91	143.08

(Unit: Baht million)

Sukhumvit 38 Hotel Project	2034F	2035F	2036F	2037F	2038F	2039F	2040F	2041F – 2087F	2088F ^{1/}
EBITDA excl. AM Fee ^{2/}	380.77	393.38	406.38	419.79	433.31	447.59	462.31	477.50 – 2,034.97	1,396.98
Corporate income tax	(40.27)	(42.29)	(44.51)	(46.80)	(50.04)	(54.37)	(56.88)	(59.47) – (356.15)	(254.07)
Working capital	(1.18)	(1.21)	(1.25)	(1.29)	(1.33)	(1.37)	(1.41)	(1.46) – (6.02)	194.08
Capital Expenditure	(42.48)	(43.75)	(45.06)	(46.42)	(47.81)	(49.24)	(50.72)	(52.24) – (50.87)	0.00
Free cash flow of the project	296.85	306.12	315.56	325.29	334.13	342.61	353.30	364.33 – 1,621.93	1,337.00
PV of FCF	134.60	127.18	121.47	113.48	107.78	102.30	97.51	93.08 – 11.87	9.06

Remark: 1/ The project is scheduled for opening in Q3/2028 and will operate until Q3/2088, according to the term of Lease Agreement.

2/ Add back asset management fee paid to the Company.

3/ Exclusive of the acquisition price of ordinary shares of 38D.

4/ Exclusive of pre-opening expenses of Baht 47.80 million, which shall be realized to income statement in 2027 - 2028.

(Unit: Baht million)

Sukhumvit 38 Hotel Project	Base Case
Present value of cash flow in year 1 - 66	1,905.35
Present value of terminal value	-
Present value of cash flows of the project	1,905.35
Less: Acquisition price of ordinary shares of 38D	(998.00)
Net present value of the Sukhumvit 38 Hotel Project (NPV of Project) ^{1/}	907.35
Internal rate of return (IRR) (% p.a.)	9.68%
Payback period from September 1, 2028 ^{2/} (from the opening date of the Project)	10.27 years

Remark:

1/ Net of the acquisition price of ordinary shares of 38D in order to acquire leasehold rights of land for development of the Sukhumvit 38 Hotel Project amounting to Baht 998.00 million.

2/ The Sukhumvit 38 Hotel Project is scheduled for opening in Q3/2028.

According to the projection of cash flow of the Sukhumvit 38 Hotel Project in the base case under the discount rate of 7.53% - 8.03% p.a. (average of 7.98% p.a.), net present value (NPV) of free cash flow of the Project is equal to Baht 907.35 million, internal rate of return (IRR) is 9.68% p.a., and

payback period is 10.27 years from the first date of revenue recognition from the Sukhumvit 38 Hotel Project (September 1, 2028).

Sensitivity analysis

The IFA conducts sensitivity analysis on cash flows of the Sukhumvit 38 Hotel Project by adjusting the significant variables as follows:

- (1) Adjust room rate upward/downward by 5% from the base case
- (2) Adjust project investment cost upward/downward by 5% from the base case

Summary of the results of the sensitivity analysis is as follows:

• NPV of cash flow

Sukhumvit 38 Hotel Project		NPV of Cash Flow (Baht million) ^{1/}		
		Project Investment Cost ^{2/} (Exclusive of Land price and VAT)		
		-5% (Baht 1,734.91 million)	0% (Baht 1,826.22 million)	+5% (Baht 1,917.53 million)
Room rate	-5%	813.02	750.61	687.58
	0%^{3/}	970.13	907.35	845.07
	+5%	1,126.72	1,064.56	1,002.07

Remark: 1/ Net of the acquisition price of ordinary shares of 38D of Baht 998.00 million.

2/ Exclusive of value of leasehold rights of land (the acquisition price of ordinary shares of 38D) and pre-opening expenses.

3/ Base case: In 2028 (the first year), room rate is equal to Baht 7,950 per night.

• Internal rate of return and payback period of the project

Sukhumvit 38 Hotel Project		Project IRR (% p.a.)			Payback Period (years) ^{1/}		
		Project Investment Cost (Exclusive of Land Price and VAT)			Project Investment Cost (Exclusive of Land Price and VAT)		
		-5% (Baht 1,734.91 million)	0% (Baht 1,826.22 million)	+5% (Baht 1,917.53 million)	-5% (Baht 1,734.91 million)	0% (Baht 1,826.22 million)	+5% (Baht 1,917.53 million)
Room rate	-5%	9.55%	9.40%	9.25%	10.40	10.65	10.90
	0%	9.83%	9.68%	9.53%	10.03	10.27	10.48
	+5%	10.11%	9.96%	9.80%	9.66	9.89	10.13

Remark: 1/ From the first date of revenue recognition from the Sukhumvit 38 Hotel Project (September 1, 2028).

The outcomes of the sensitivity analysis can be summarized as follows:

- If adjusting revenue and investment of the Project, NPV of cash flow of the Sukhumvit 38 Hotel Project is in the range of Baht 687.58 – 1,002.07 million (Baht 907.35 million in the base case).
- Internal rate of return (IRR) is in the range of 9.25% – 10.11% p.a. (9.68% p.a. in the base case).
- Payback period is in the range of 9.66 – 10.90 years (10.27 years in the base case) from the first date of revenue recognition from the Sukhumvit 38 Hotel Project (September 1, 2028).

The evaluation of NPV of cash flow and IRR of the Sukhumvit 38 Hotel Project is based on the assumptions provided by the Company under the normal economic condition and circumstances. The Independent Financial Advisor bases its assessment on industry information or historical performance of the Company in 2019 (before COVID-19 pandemic) and in 2022 – 2023 (after the relaxation and termination of COVID-19 control measures). If there is any change in the Company's business plan and policy including government policy or economic condition or unusual event that may cause material variation from the current business plan of the Sukhumvit 38 Hotel Project or from the forecast and variables used herein, the projection constructed under the above assumptions may change significantly, leading to a relative change in present value of cash flows and IRR of the Sukhumvit 38 Hotel Project accordingly.

Summary of Opinion of the Independent Financial Advisor on the Appropriateness of Investment in the Sukhumvit 38 Hotel Project

From the feasibility study of the Sukhumvit 38 Hotel Project, the Independent Financial Advisor finds that net present value (NPV) of the project, after deduction of acquisition price of ordinary shares of 38D in total amount of Baht 998.00 million, is in the range of Baht 687.58 – 1,002.07 million (Baht 907.35 million in the base case), IRR is in the range of 9.25% – 10.11% p.a. (9.68% p.a. in the base case) which is higher than the discount rate (WACC) of 7.98% p.a., and payback period is 9.66 – 10.90 years (10.27 years in the base case) from the first date of revenue recognition from the Sukhumvit 38 Hotel Project (September 1, 2028). Therefore, the Independent Financial Advisor is of the opinion that the acquisition price of all ordinary shares of 38D in the total amount of Baht 998.00 million and the investment budget for the development of the Sukhumvit 38 Hotel Project is feasible and appropriate.

Transaction 2: Acquisition of Ordinary Shares of The Plaza Chiangmai Company Limited (PCC), Permsub Siri 2 Company Limited (PS2), and Kalare Chang Klan Chiangmai Company Limited (KCC) in order to Acquire Land and Constructions and the Rights for Development of the Lannatique Destination Project

The Company and/or its subsidiaries will purchase all ordinary shares of PCC, PS2, and KCC in the total amount of Baht 3,448.00 million (exclusive of additional payments). The Company also plans to make additional investment for development of the Lannatique Destination Project at the amount of Baht 8,502.24 million (inclusive of VAT).

In order to determine value of PCC, PS2, and KCC ordinary shares and investment in the Lannatique Destination Project, the Independent Financial Advisor shall apply valuation approaches as follows:

- 1) Evaluate fair value of ordinary shares of PCC, PS2, and KCC by comparing with the appraisal price of the property determined by the Independent Property Appraiser.
- 2) In determining the appropriateness of investment in the Lannatique Destination Project, the Independent Financial Advisor considered future free cash flow (FCF) of the Lannatique Destination Project to calculate:
 - Internal rate of return (IRR) of the Lannatique Destination Project;
 - Net present value (NPV) of the Lannatique Destination Project by using the weighted average cost of capital (WACC) of the Lannatique Destination Project as a discount rate; and
 - Payback Period of the Lannatique Destination Project.

Summary of the valuation is as follows:

2.1 Fair Value of Ordinary Shares of PCC, PS2, and KCC in order to Acquire the Land and Construction and the Rights for Development of the Lannatique Destination Project

The Independent Financial Advisor has determined fair value of ordinary shares of PCC, PS2, and KCC in order to acquire the land and constructions and rights for development of the Lannatique Destination Project by comparing with the appraisal price of land and constructions and leasehold rights of land determined by the independent property appraiser.

The Company has appointed Knight Frank Chartered (Thailand) Company Limited (“**Knight Frank**” or “**Independent Property Appraiser**”), an independent property appraiser approved by the SEC, to appraise value of land, and constructions and leasehold rights of land. The Independent Property Appraiser conducted the property appraisal on January 11, 2024, for public purpose, to determine a fair market value of the assets according to the appraisal report dated January 25, 2024 (No. R0005/2024) by using the Market Comparison Approach, Cost Approach, Profit Rent Approach, and Income Approach for rechecking the results. Details of the asset appraisal are as follows:

The appraised assets are located on Chang Khlan Road, Soi 1 of Charoen Prathet Road, and Soi 1 of Thapae Road, Chang Khlan Sub-district, Mueang Chiang Mai District, Chiang Mai. The Independent Property Appraiser has assessed the property value by dividing the assets into 8 groups as follows:

Asset Group	Details	No. of Title Deed	Total Land Area (Rai)	Total Land Area (Sq.wah)	Building Usable Area (sq.m.)	Life of Building (Years)
1	The Plaza Chiang Mai	3	2-3-10.0	1,110.0	19,407.0	32 - 46
2	Leasehold rights of land and constructions of “ Chiang Mai Night Bazaar ” and car park building	3	6-1-22.7	2,522.7	19,144.0	4, 46
3	Kalare Night Bazaar	20	6-3-35.6	2,735.6	7,839.0	7, 26
4	Bara Windsor Building	2	0-0-88.9	88.9	833.0	16
5	Ancient House (Zheng He House)	7	2-2-39.0	1,039.0	523.0	100
6	3-Storey commercial building	1	0-0-18.9	18.9	210.0	46
7	Night Bazaar Place Hotel	9	1-0-9.8	409.8	6,644.0	32, 46
8	4-Storey mansion (SB Mansion)	1	1-2-76.0	676.0	1,276.0	28, 46
	Total	46	21-2-0.9	8,600.9	55,876.0	

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

- Valuation approach

Valuation of land and constructions (Asset Group 1, 3, 5, 7, and 8): The Independent Property Appraiser applied the Cost Approach, comprising of the valuation of land under the Market Comparison

Approach and the valuation of constructions (of current condition) under the Depreciated Replacement Cost Approach.

Valuation of leasehold rights of land (Asset Group 2): The Independent Property Appraiser determine value of leasehold rights of land as at the appraisal date by applying the Profit Rent Approach, by which the value is summation of net present value of profit rent (the profit rent is the difference between market rent and contract rent).

Valuation of land and commercial building (Asset Group 4, 6, and 7): The Independent Property Appraiser applied the Market Comparison Approach.

2.1.1 Asset Group 1: The Plaza Chiang Mai

2.1.1.1 Land

The appraised assets comprised of 3 plots of freehold land with a total land area of 2-3-10 rai (1,110.0 sq.wah or 2.775 rai) in a polygonal shape with a frontage of approximately 86 meters on Chang Khlan Road. The land has been filled and leveled to the same level as the frontage road. The property is currently being used as a shopping center under the name "The Plaza Chiang Mai". The Independent Property Appraiser employs the Market Comparison Approach to determine fair market value of freehold land. Details of the appraisal are as follows:

		Asset Group 1: The Plaza Chiang Mai	The Appraisal Price (Freehold Land) (Baht million)
1	Freehold land (3 plots of land)	Title deed No. 29, 69487, and 69539 Parcel No. 2656, 15, and 16 Land area 2-3-10.0 rai (1,110.0 sq.wah) Location Chang Khlan Sub-district, Mueang Chiang Mai District, Chiang Mai Owner The Plaza Chiang Mai Company Limited ("PCC") Encumbrance None Appraisal date January 11, 2024 Valuation approach Market Comparison Approach	582.80 ^{1/} (@ Baht 525,000 per sq.wah)

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark: 1/ Rounding

The Independent Property Appraiser applies the comparative method using the Sales Adjustment Grid to determine fair market value of assets. This method is applied to compare the appraised property with market data. It considers and demonstrates the differences in various relevant factors, whether they are superior or inferior, as well as compares the selling prices under the current competitive real estate market. The analysis and adjustment process involves comparing similar properties with interrelated variables, such as location, land area, plot shape, plot frontage, land level, potential property use, and restrictions and conditions that may affect the property value. The final price is then calculated by weighting and adjusting.

The Independent Property Appraiser has selected 3 data of land for comparison having an offering price/selling price in a range of Baht 0.53 – 0.65 million per sq.wah. After preliminary adjustments and adjustments to relevant factors affecting the property price, the adjusted prices were in a range of Baht 0.52 – 0.53 million per sq.wah. Then, the Independent Property Appraiser weighted the adjusted sales prices of the comparable and make a final adjustment.

As a results, fair value of the freehold land determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, is equal to Baht 0.525 million per sq.wah or equivalent to total value of **Baht 582.80 million**.

2.1.1.2 Buildings and constructions

The assets comprised of 4-storey of shopping mall and car park building with a rooftop and a basement.

The Independent Property Appraiser used only the Cost Approach in determining value of buildings and constructions because the appraised assets have specific characteristics and are constructed for specific use. In evaluating asset value under the Cost Approach, the Independent Property Appraiser took into consideration the Replacement Cost New, deducted by physical deterioration, functional obsolescence, and economic or external obsolescence of the appraised properties. Details of the appraisal are summarized below:

	Asset Group 1: The Plaza Chiang Mai	Area (Sq.m.)	Replacement Cost New	
			Per Unit (Baht/sq.m.)	Total (Baht million)
1	Retail shops	6,997.00	15,000.00	104.96
2	Common area			
	Hallways	4,656.00	17,000.00	79.15
	Parking (5-storey car park building)	7,219.00	12,500.00	90.24
	System rooms	535.00	10,000.00	5.35
	Total replacement cost new	19,407.00	14,412.00	279.69
	Less: Depreciation (ages of the buildings of approximately 32 – 46 years)		75%	(209.77)
	As-is value			69.92

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Fair value of buildings and constructions of PCC determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, based on the Cost Approach is equal to Baht 69.92 million.

Summary of fair value of land, buildings, and constructions of The Plaza Chiang Mai (Asset Group 1) determined by the Independent Property Appraiser is as follows:

(Unit: Baht million)

No.	Asset Group 1: The Plaza Chiang Mai	Appraisal Price by the Independent Property Appraiser
1	Freehold land (2-3-10.0 rai)	582.80
2	4-storey shopping mall and car park building with a rooftop and a basement	69.92
	Total	652.67
	Total	653.00^{1/}

Remark: 1/ Rounding

2.1.2 Asset Group 2: Leasehold Rights of Land and Constructions of "Chiang Mai Night Bazaar" and Car Park Building

The appraised assets comprised of leasehold rights of land and constructions of "Chiang Mai Night Bazaar" and 2-storey car park buildings with a total land area of **6-1-22.7** rai (2,522.7 sq.wah). The land is under 30-year lease agreement dated June 27, 2014. As of the appraisal date, the remaining lease term is approximately 20 years and 172 days.

The Independent Property Appraiser has assessed the property value by dividing the assets into 2 parts as follows:

2.1.2.1 Part 1: Leasehold rights of land and constructions of the Chiang Mai Night Bazaar

A unit of 2-storey Night Bazaar building with the total usable area of **13,852.0** sq.m., located on the land title deed No. 540, parcel No. 2725 with total land area of **4-0-28.0** rai (**1,628.0** sq.wah or 4.07 rai). The land is in nearly rectangular shape with a frontage of approximately 70 meters on Chang Khlan Road, and been filled and leveled to the same level as the frontage road. The property is currently being used as a "Chiang Mai Night Bazaar".

2.1.2.2 Part 2: Leasehold rights of land and car park building

Two buildings of 2-storey car park buildings with a total usable area of 5,292.0 sq.m., located on the land title deed No. 313 and 627, parcel No. 2705 and 2706 with total land area of **2-0-94.7** rai (**894.7** sq.wah or **2.23675** rai). The land is in nearly rectangular shape with a frontage of approximately 80 meters on Chang Khlan Road, and been filled and leveled to the same level as the frontage road. The property is currently being used as "2 car park buildings".

The Independent Property Appraiser evaluated the value of leasehold property having a lease term of 20 years and 172 days as of the appraisal date. The Independent Property Appraiser applied Profit Rent Approach which calculates the property value by summing the net present value (NPV) of the profit rent, where the profit rent is the difference between market rent⁵⁴ and contract rent.

- Freehold value

⁵⁴ Market rent is obtained by comparing market data from similar properties. The comparison includes factors such as size, shape, location, access, surroundings, and past rental prices. This valuation method also considers economic factors that may affect the real estate market.

The Independent Property Appraiser valued 3 plots of freehold land with a total land area of **6-1-22.7** rai (2,522.7 sq.wah) by applying the comparative method using the Sales Adjustment Grid to determine fair market value of assets. This method is applied to compare the appraised property with market data. The Independent Property Appraiser has selected 3 data of land for comparison having an offering price/selling price in a range of Baht 0.53 – 0.65 million per sq.wah (to compare with land in Part 1), and has selected another 3 data of land for comparison having an offering price/selling price in a range of Baht 0.31 – 0.38 million per sq.wah (to compare with land in Part 2). After preliminary adjustments and adjustments to relevant factors affecting the property price, the adjusted prices were in a range of Baht 0.52 – 0.53 million per sq.wah (to compare with land in Part 1), and Baht 0.34 – 0.35 million per sq.wah (to compare with land in Part 2). Then, the Independent Property Appraiser weighted the adjusted prices of the comparable lands and make a final adjustment.

As a results, fair value of the freehold land determined by the Independent Property Appraiser are as follows:

Part	Details	Land Area (sq.wah)	Market Price (Baht million/sq.wah)	Market Price of Freehold Land (Baht million)
1	Chiang Mai Night Bazaar	1,628.0	0.525	854.70
2	2 buildings of 2-storey car park	894.7	0.34	304.20
	Total			1,158.90

- Market value of building and constructions (freehold)

The Independent Property Appraiser used only the Cost Approach in determining value of building and constructions because the appraised assets have specific characteristics and are constructed for specific use. In evaluating asset value under the Cost Approach, the Independent Property Appraiser took into consideration the Replacement Cost New, deducted by physical deterioration, functional obsolescence, and economic or external obsolescence of the appraised properties. Details of the appraisal are summarized below:

Part	Details	Building Area (sq.m.)	Replacement Cost New		Depreciation (%)	Replacement Cost New Less Depreciation (Baht million)
			(Baht/sq.m.)	(Baht million)		
1	2-storey night bazaar building and a basement	13,852.0	23,890.0	330.92	70% (46 years old)	99.30
2	2 buildings of 2-storey car park	5,292.0	18,000.0	95.26	8% (4 years old)	85.70
Total value of buildings						185.00
Market value of land (from table above)						1,158.90
Total market value of land and buildings						1,343.90

- Market rental rate

The Independent Property Appraiser evaluated the market value of freehold land and constructions and adjusted with factors that may affect the property value. The summary of the appraisal is as follows:

Details	Percentage	Amount (Baht million)
Value of freehold land and constructions		1,343.90
Lease fee/upfront premium	13.00% of freehold value ^{1/}	174.71
Annual market rent as of January 11, 2024	1.10% of freehold value ^{1/}	13.44

Remark: 1/ The Independent Property Appraiser analyzed ratio of the upfront premium and annual rent of comparable land plots with lease terms of 3 - 30 years. The Independent Property Appraiser found that the upfront premium ratio ranged from 0% to 43% and the annual rent ratio ranged from 0.15% to 6.08% of the freehold value.

▪ Appraisal of leasehold rights of commercial buildings with a lease term of 20 years and 172 days

The Independent Property Appraiser evaluated value of leasehold assets with the lease term of 20 years and 172 days from the appraisal date (January 11, 2024) by calculating the net present value of profit rent (difference between the market rent and contract rent). Summary of the appraisal is as follows:

Market value of leasehold rights for land and constructions of "Chiang Mai Night Bazaar" and car park buildings	
Key assumptions	
Remaining lease term	20 years and 172 days (January 11, 2024 - June 30, 2044)
% growth of rental fee	10.00% every 3 years
Discount rate	6.00% p.a.
Market upfront fee as of January 11, 2024	Baht 174.71 million
Contract upfront fee as of January 11, 2024	None

Market value of leasehold rights for land and constructions of "Chiang Mai Night Bazaar" and car park buildings	
Key assumptions	
Annual market rent in 2024 - 2044	Total of Baht 369.91 million (annual rent in the range of Baht 13.44 – 23.81 million per year)
Annual contract rent in 2024 - 2044	Total of Baht 65.71 million (annual rent in the range of Baht 2.04 – 4.39 million per year)
Profit rent	Total of Baht 478.91 million
Net present value of profit rent	Baht 347.26 million
Value of leasehold rights with a lease term of 20 years and 172 days (including lease fee/upfront fee) as of January 11, 2024	Baht 347.00 million (rounding) (26% of freehold value)

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Fair value of the leasehold rights of land and constructions of "Chiang Mai Night Bazaar" and car park buildings with the lease term of 20 years and 172 days determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, is equal to **Baht 347.00 million**.

2.1.3 Asset Group 3: Kalare Night Bazaar

2.1.3.1 Land

The appraised assets comprised of 20 plots of freehold land with a total land area of 6-3-35.6 rai (**2,735.6** sq.wah or **6.839** rai) in a polygonal shape with a frontage of approximately 30 meters and 49 meters on Chang Khlan Road. The land has been filled and leveled to the same level as the frontage road. The property is currently being used as a shopping center under the name "Kalore Night Bazaar".

The Independent Property Appraiser employs the Market Comparison Approach to determine fair market value of freehold land. Details of the appraisal are as follows:

		Asset Group 3: Kalare Night Bazaar		Appraisal Price (Freehold Land) (Baht million)
1	Freehold land (20 plots of land)	Title deed No.	368, 388, 27539, 34325 – 8, 59355 - 6, 59360, 62491 – 3, 65413 – 6, 65424 - 6	1,408.80^{1/} (@ Baht 515,000 per sq.wah)
		Parcel No.	2738, 2668, 2726, 2731 – 4, 2672 – 3, 2667, 2674, 2670 – 1, 2920, 2735 – 7, 2660, 2669, 2661	
		Land area	6-3-35.6 rai (2,735.6 sq.wah)	
		Location	Chang Khlan Sub-district, Mueang Chiang Mai District, Chiang Mai	
		Owner	Retail World 6 Company Limited (change the name to " Kalore Chang Klan Chiangmai Company Limited" (KCC))	
		Encumbrance	None	
		Appraisal date	January 11, 2024	
		Valuation approach	Market Comparison Approach	

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark: 1/ Rounding

The Independent Property Appraiser applies the comparative method using the Sales Adjustment Grid to determine fair market value of assets. This method is applied to compare the appraised property with market data. The Independent Property Appraiser has selected 3 data of land for comparison having an offering price/selling price in a range of Baht 0.53 – 0.65 million per sq.wah. After preliminary adjustments and adjustments to relevant factors affecting the property price, the adjusted prices were in a range of Baht 0.51 – 0.52 million per sq.wah. Then, the Independent Property Appraiser weighted the adjusted sales prices of the comparable assets and make a final adjustment.

As a results, fair value of the freehold land determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, is equal to Baht 0.515 million per sq.wah or equivalent to total value of **Baht 1,408.80 million**.

2.1.3.2 Buildings and constructions

The appraised assets are 11 buildings of Kalare Night Bazaar. The Independent Property Appraiser used only the Cost Approach in determining value of buildings and constructions because the appraised assets have specific characteristics and are constructed for specific use. In evaluating asset

value under the Cost Approach, the Independent Property Appraiser took into consideration the Replacement Cost New, deducted by physical deterioration, functional obsolescence, and economic or external obsolescence of the appraised properties. Details of the appraisal are summarized below:

	Asset Group 3: Kalare Night Bazaar	Area (sq.m.)	Replacement cost new		Depreciation (%)	Replacement Cost New Less Depreciation (Baht mn.)
			Per Unit (Baht/sq.m.)	Total (Baht mn.)		
1	Building B (3-storey retail and residential buildings with rooftop): Zone A	1,736.00	10,869.00	18.87	32%	12.83
2	Building D (4-storey office and residential building with rooftop)	835.00	11,462.00	9.57	52%	4.59
3	Retail building Zone B	585.00	5,000.00	2.93	32%	1.99
4	Retail building Zone C	1,365.00	5,000.00	6.83	32%	4.64
5	Retail building Zone D	900.00	4,500.00	4.05	32%	2.75
6	Retail building Zone E	821.00	5,061.00	4.16	32%	2.83
7	Retail building Zone F	872.00	10,000.00	8.72	32%	5.93
8	Retail building and entrance arches: Zone G	408.00	6,500.00	2.65	32%	1.80
9	1-storey retail building	140.00	5,000.00	0.70	14%	0.60
10	1-storey retail building	74.00	5,000.00	0.37	24%	0.28
11	1-storey retail building and restroom	103.00	5,733.00	0.59	32%	0.40
	Total value of buildings and constructions	7,839.00	8,318.00	59.43		39.00^{1/}

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark: 1/ Rounding

Fair value of buildings and constructions of KCC determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, based on the Cost Approach is equal to Baht 39.00 million.

Summary of fair value of land, buildings, and construction of Kalare Night Bazaar (Asset Group 3) determined by the Independent Property Appraiser is as follows:

(Unit: Baht million)

No.	Asset Group 3: Kalare Night Bazaar	Appraisal Price by the Independent Property Appraiser
1	Freehold land (6-3-35.6 rai)	1,408.80
2	Buildings and constructions	39.00
	Total	1,448.00^{1/}

Remark: 1/ Rounding

2.1.4 Asset Group 4: Bara Windsor Building

The appraised assets are 4 units of 3-storey commercial buildings (Building C), located on land title deed No. 59358 and 62495, parcel No. 2681 and 2680, with total land areas of 0-0-88.9 rai (88.9 sq.wah or 355.6 sq.m.). The land is in rectangle shape with a frontage of approximately 23 meters on Chang Khlan Road. The land has been filled and leveled to the same level as the frontage road. The land is currently occupied by the "3-storey retails and office building".

The Independent Property Appraiser applies the comparative method using the Sales Adjustment Grid to determine fair market value of assets. This method is applied to compare the appraised property with market data. The Independent Property Appraiser has selected 3 data of 2- to 3-storey commercial buildings with usable areas of approximately 144 – 288 sq.m. for comparison having an offering price/selling price in a range of Baht 11.00 – 32.00 million (Baht 11.00 – 16.00 million per unit), then making preliminary price adjustments and identified the factors affecting the property price and adjusted for the differences in market data. Summary of the appraisal is as follows:

Factors	Asset Group 4	Data 1	Data 2	Data 3
Type of asset	4 units of 3-storey commercial building	2 connected units of 2-storey commercial building	1 unit of 2-storey commercial building	2 connected units of 3-storey commercial building
Location	Chang Khlan Road	Chang Moi Road (Warorot Market Area)	Chang Moi Road (Warorot Market Area)	Prapokklao Road and Sri Phoom Soi 4
Land area (sq.wah)	88.9	35.0	20.6	42.0
Usable area (sq.m.)	833.0	288.0	144.0	288.0
Utilization	Commercial	Commercial	Commercial	Commercial

Factors	Asset Group 4	Data 1	Data 2	Data 3
Offering price/sale and purchase price (Baht)		28,000,000	11,000,000	32,000,000
Preliminary adjusted price (Baht)		65,483,403	64,647,202	62,408,017
Factors				
Location		-2%	-2%	2%
Surroundings		0%	0%	0%
Building style		0%	0%	0%
Building conditions		0%	1%	0%
Decoration		0%	1%	0%
Utility		0%	0%	0%
Facility in the project		0%	0%	0%
Reputation of the project and operator		0%	0%	0%
Cumulative weight		-2%	0%	2%
Adjusted price (Bath)		64,173,735	64,647,202	63,656,177
Weighted score		39.13%	19.82%	41.06%
Weight price (Baht)	64,055,074	25,109,589	12,811,015	26,134,470
Market value of asset	Baht 64,000,000 (Baht 16.0 million per unit)			

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Fair value of 4 units of 3-storey commercial building determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, is equal to Baht 16.00 million per unit or equivalent to total value of **Baht 64.00 million**.

In addition, the Independent Property Appraiser used the Cost Approach as a check on the results and found that the current value of the property is Baht **59.60** million (land value of Baht 57.80 million + building value of Baht **1.80** million), which is lower than the value estimated under the Market Comparison Approach.

2.1.5 Asset Group 5: Ancient House (Zheng He House)

The appraisal assets are land and constructions (single-storey ancient house (elevated floor))

2.1.5.1 Land

The appraised assets comprised of 7 plots of freehold land with total land area of 2-2-39.0 rai (1,039.0 sq.wah or **2.5975** rai) in a nearly rectangular shape with a frontage of approximately 35 meters on Soi 1 of Charoen Prathet Road. The land has been filled and leveled to the same level as the frontage road. The land is currently location of the ancient house (Zheng He House).

The Independent Property Appraiser employs the Market Comparison Approach to determine fair market value of freehold land. Details of the appraisal are as follows:

		Asset Group 5: Ancient House (Zheng He House)		Appraisal Price (Freehold Land) (Baht million)
1	Freehold land (2 plots of land)	Title deed No.	2474, 2475, 8853, 8855, 8856, 8857, and 8858	384.40 (@ Baht 3700,000 per sq.wah)
		Parcel No.	2662, 2665, 2666, 2664, 2663, 2917, and 2918	
		Land area	2-2-39.0 rai (1,039.0 sq.wah)	
		Location	Chang Khlan Sub-district, Mueang Chiang Mai District, Chiang Mai	
		Owner	Kalare Chang Klan Chiangmai Company Limited	
		Encumbrance	None	
		Appraisal date	January 11, 2024	
		Valuation approach	Market Comparison Approach	

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

The Independent Property Appraiser applies the comparative method using the Sales Adjustment Grid to determine fair market value of assets. This method is applied to compare the appraised property with market data. The Independent Property Appraiser has selected 3 data of land for comparison having an offering price/selling price in a range of Baht 0.31 – 0.38 million per sq.wah, then making preliminary price adjustments, resulting in the preliminary adjusted price in a range of Baht 0.35 – 0.38 million per sq.wah. After adjustments to relevant factors affecting the property price, the

adjusted prices were in a range of Baht 0.37 – 0.375 million per sq.wah. Then, the Independent Property Appraiser weighted the adjusted sales prices of the comparable assets and make a final adjustment.

As a results, fair value of the freehold land determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, is equal to Baht 0.37 million per sq.wah or equivalent to total value of **Baht 384.40 million**.

2.1.5.2 Buildings and constructions

The Independent Property Appraiser used only the Cost Approach in determining value of buildings and constructions because the appraised assets have specific characteristics and are constructed for specific use. In evaluating asset value under the Cost Approach, the Independent Property Appraiser took into consideration the Replacement Cost New, deducted by physical deterioration, functional obsolescence, and economic or external obsolescence of the appraised properties. Details of the appraisal are summarized below:

	Asset Group 5: Ancient House (Zheng He House)	Area (sq.m.)	Replacement Cost New		Depreciation	Replacement Cost New Less Depreciation (Baht mn.)
			Per Unit (Baht/sq.m.)	Total (Baht mn.)		
1	Single-storey ancient house (elevated floor)	523.00	12,000.00	6.28	80% ^{1/}	0.80

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark: 1/ The condition of the building is old and dilapidated. It is an old wooden house that is being preserved.

Fair value of buildings and construction Asset Group 5 (Ancient House) determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, based on the Cost Approach is equal to **Baht 0.80 million**.

Summary fair value of land, buildings, and construction of Ancient House (Zheng Her House) (Asset Group 5) determined by the Independent Property Appraiser is as follows:

(Unit: Baht million)

No.	Asset Group 5: Ancient House (Zheng He House)	Appraisal Price by the Independent Property Appraiser
1	Freehold land (2-2-39.0 rai)	384.40
2	Buildings and constructions	0.80
	Total	385.00 ^{1/}

Remark: 1/ Rounding

2.1.6 Asset Group 6: 3-Storey Commercial Building

The appraised asset is a 3-storey commercial building with the usable area of 18.90 sq.m., located on land title deed No. 60123, parcel No. 2677, with total land area of 0-0-18.9 rai (18.9 sq.wah or 75.6 sq.m.). The land is in rectangle shape with a frontage of approximately 4 meters on Chang Khlan Road. The land has been filled and leveled to the same level as the frontage road. The land is currently the location of a "3-storey commercial building".

The Independent Property Appraiser applies the comparative method using the Sales Adjustment Grid to determine fair market value of asset. This method is applied to compare the appraised property with market data. The Independent Property Appraiser has selected 3 data of 2- to 3-storey commercial buildings with usable area of approximately 144 – 288 sq.m. for comparison having an offering price/selling price in a range of Baht 11.00 – 32.00 million (Baht 11.00 – 16.00 million per unit), then making preliminary price adjustments and identified the factors affecting the property price and adjusted for the differences in market data. Summary of the appraisal is as follows:

Factors	Asset Group 6	Data 1	Data 2	Data 3
Type of asset	1 unit of 3-storey commercial building	2 connected units of 2-storey commercial building	1 unit of 2-storey commercial building	2 connected units of 3-storey commercial building
Location	47 Chang Khlan Road	Chang Moi Road (Warorot Market Area)	Chang Moi Road (Warorot Market Area)	Prapokkiao Road and Sri Phoom Soi 4
Land area (sq.wah)	18.9	35.0	20.6	42.0
Building area (sq.m.)	210.0	288.0	144.0	288.0
Utilization	Commercial	Commercial	Commercial	Commercial

Factors	Asset Group 6	Data 1	Data 2	Data 3
Offering price/sale and purchase price (Baht)		28,000,000	11,000,000	32,000,000
Preliminary adjusted price (Baht)		12,755,000	11,655,000	12,205,000
Factors				
Location		-2%	-2%	2%
Surroundings		0%	0%	0%
Building style		0%	0%	0%
Building conditions		2%	5%	2%
Decoration		2%	5%	2%
Utility		0%	0%	0%
Facility in the project		0%	0%	0%
Reputation of the project and operator		0%	0%	0%
Cumulative weight		2%	8%	6%
Adjusted price (Baht)		13,010,100	12,587,400	12,937,300
Weighted score		38.58%	21.11%	40.31%
Weight price (Baht)	12,891,524	5,018,838	2,657,032	5,215,655
Market value of asset	Baht 13,000,000			

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Fair value of a 3-storey commercial building determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, is equal to Baht 13.00 million.

In addition, the Independent Property Appraiser used the Cost Approach as a check on the results and found that the current value of the property is Baht 12.90 million (land value of Baht 12.30 million + building value of Baht 0.60 million), which is close to the value estimated using the Market Comparison Approach.

2.1.7 Asset Group 7: Night Bazaar Place Hotel

The appraised assets comprised of land and 8 units of 3-storey commercial building, and buildings of Night Bazaar Place Hotel (3-storey and 6-storey buildings). The Independent Property Appraiser divided the assets into 2 parts as follows:

2.1.7.1 Part 1: Land and 8 Units of 3-storey Commercial Building

The appraised assets are 8 units of 3-storey commercial buildings with total building area of 1,680 sq.m. and located on freehold land with a total land area of 0-1-49.7 rai (149.7 sq.wah or 0.37425 rai). The land is in rectangle shape with a frontage of approximately 32 meters on Chang Khlan Road. The land has been filled and leveled to the same level as the frontage road. The land is currently location of the "3-storey commercial buildings".

The Independent Property Appraiser applies the comparative method using the Sales Adjustment Grid to determine fair market value of assets. This method is applied to compare the appraised property with market data. The Independent Property Appraiser has selected 3 data of 2- to 3-storey commercial buildings with usable areas of approximately 144 – 288 sq.m. for comparison having an offering price/selling price in a range of Baht 11.00 – 32.00 million (Baht 11.00 – 16.00 million per unit), then making preliminary price adjustments and identified the factors affecting the property price and adjusted for the differences in market data. Summary of the appraisal is as follows:

Factors	Asset Group 7	Data 1	Data 2	Data 3
Type of asset	8 connected units of 3-storey commercial building	2 connected units of 2-storey commercial building	1 unit of 2-storey commercial building	2 connected units of 3-storey commercial building
Location	Chang Khlan Road	Chang Moi Road (Warorot Market Area)	Chang Moi Road (Warorot Market Area)	Prapokkiao Road and Sri Phoom Soi 4
Land area (sq.wah)	149.7	35.0	20.6	42.0
Building area (sq.m.)	1,680.0	288.0	144.0	288.0
Utilization	Commercial	Commercial	Commercial	Commercial
Offering price/sale and purchase price (Baht)		28,000,000	11,000,000	32,000,000
Preliminary adjusted price (Baht)		112,475,000	111,375,000	111,925,000

Factors	Asset Group 7	Data 1	Data 2	Data 3
Factors				
Location		-2%	-2%	2%
Surroundings		0%	0%	0%
Building style		0%	0%	0%
Building conditions		2%	2%	0%
Decoration		2%	2%	0%
Utility		0%	0%	0%
Facility in the project		0%	0%	0%
Reputation of the project and operator		0%	0%	0%
Cumulative weight		2%	2%	2%
Adjusted price (Baht)		114,724,500	113,602,500	114,163,500
Weighted score		19.90%	20.10%	60.00%
Weight price (Baht)	114,162,397	22,832,479	22,832,479	68,497,438
Market value of asset	Baht 114,000,000 (Baht 14.25 million per unit)			

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Fair value of 8 units of 3-storey commercial building determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, is equal Baht 14.25 million per unit or equivalent to total value of Baht 114.00 million.

In addition, the Independent Property Appraiser used the Cost Approach as a check on the results and found that the current value of the property is Baht 102.00 million (land value of Baht 97.30 million + building value of Baht 4.70 million), which is slightly lower than the value determined by the Market Comparison Approach.

2.1.7.2 Part 2: Land and constructions of Night Bazaar Place Hotel

- Land

The appraised asset comprised of 1 plot of freehold land with total land area of **0-2-60.1** rai (**260.1** sq.wah or **0.65025** rai) in a polygon shape with a frontage of approximately 10 meters on Chang Khlan Road and 32 meters on Soi 1 of Charoen Prathet Road. The land has been filled and leveled to the same level as the frontage road. The land is currently the location of "**Night Bazaar Place Hotel**".

The Independent Property Appraiser employs the Market Comparison Approach to determine fair market value of freehold land. Details of the appraisal are as follows:

		Asset Group 7: Night Bazaar Place Hotel		Appraisal Price (Freehold Land) (Baht million)
1	Part 2 – One plot of freehold land	Title deed No.	59354	143.10 (@ Baht 5500,000 per sq.wah)
		Parcel No.	2657	
		Land area	0-2-60.1 rai (260.1 sq.wah)	
		Location	Chang Khlan Sub-district, Mueang Chiang Mai District, Chiang Mai	
		Owner	Kalare Chang Klan Chiangmai Company Limited	
		Encumbrance	None	
		Appraisal date	January 11, 2024	
		Valuation approach	Market Comparison Approach	

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

The Independent Property Appraiser applies the comparative method using the Sales Adjustment Grid to determine fair market value of assets. This method is applied to compare the appraised property with market data. The Independent Property Appraiser has selected 3 data of land for comparison having an offering price/selling price in a range of Baht 0.53 – 0.65 million per sq.wah, then making preliminary price adjustments, resulting in a preliminary adjusted price in a range of Baht 0.52 – 0.55 million per sq.wah. After adjustments to relevant factors affecting the property price, the adjusted prices were in a range of Baht 0.55 – 0.56 million per sq.wah. Then, the Independent Property Appraiser weighted the adjusted sales prices of the comparable assets and make a final adjustment.

As a results, fair value of the freehold land determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, is equal to Baht 0.55 million per sq.wah or equivalent to total value of Baht 143.10 million.

- Buildings and constructions - Night Bazaar Place Hotel

The Independent Property Appraiser used only the Cost Approach in determining value of buildings and constructions because the appraised assets have specific characteristics and are constructed for specific use. In evaluating asset value under the Cost Approach, the Independent Property Appraiser took into consideration the Replacement Cost New, deducted by physical deterioration, functional obsolescence, and economic or external obsolescence of the appraised properties. Details of the appraisal are summarized below:

	Asset Group 7: Night Bazaar Place Hotel	Area (sq.m.)	Replacement Cost New		Depreciation (%)	Replacement Cost New Less Depreciation (Baht mn.)
			Per unit (Baht/sq.m.)	Total (Baht million)		
1	3-storey hotel building	491.00	12,061.00	5.92	75%	1.48
2	6-storey hotel building	4,473.00	15,768.00	70.53	55%	31.74
	Total	4,964.00	15,402.00	76.45		33.22
	Net fair value to 90%					29.90^{1/}

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark: 1/ The Independent Property Appraiser adjusted fair value of buildings to 90% due to the building is old, outdate, and not being utilized to highest and best use.

Fair value of buildings and construction determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, based on the Cost Approach, is equal to Baht 29.90 million.

Summary of fair value of land, buildings, and construction of Night Bazaar Place Hotel (Asset Group 7) determined by the Independent Property Appraiser is as follows:

(Unit: Baht million)

No.	Asset Group 7: Night Bazaar Place Hotel	Appraisal Price by the Independent Property Appraiser
1	Part 1 – land and 8 units of 3-storey commercial buildings	114.00^{1/}
2	Freehold land (0-2-60.1 rai)	143.10
3	Buildings and constructions	29.90
	Total part 2 – land and buildings of Night Bazaar Place Hotel (3-storey building and 6-storey building)	173.00^{2/}
	Total	287.00

Remark: 1/ The Independent Property Appraiser used the Cost Approach as a check on the results and found that the current value of the property is Baht 102.30 million, which is close to the value estimated using the Market Comparison Approach.

2/ The Independent Property Appraiser used the Income Method of Valuation as a check on the results and found that the value of the property after deducting renovation cost is Baht 186.00 million, which is slightly higher than the value determined under the Cost Approach.

2.1.8 Asset Group 8: 4-Storey Mansion (SB Mansion)

The appraised assets are land and constructions of SB Mansion and 5 units of 2-storey commercial buildings.

2.1.8.1 Land

The appraised asset comprised of 1 plot of freehold land with total land area of 1-2-76.0 rai (676.0 sq.wah or 1.69 rai) in a polygon shape with a frontage of approximately 35 meters on Soi 1 of Charoen Prathet Road. The land has been filled and leveled to the same level as the frontage road. The land is currently the location of 4-storey mansion and 2-storey commercial buildings.

The Independent Property Appraiser employs the Market Comparison Approach to determine fair market value of freehold land. Details of the appraisal are as follows:

	Asset Group 8: 4-Storey Mansion (SB Mansion)			Appraisal Price (Freehold Land) (Baht million)
1	1 plot of freehold land	Title deed No. 8854 Parcel No. 2916 Land area 1-2-76.0 rai (676.0 sq.wah) Location Chang Khlan Sub-district, Mueang Chiang Mai District, Chiang Mai Owner Retail World 6 Company Limited (changed the name to "Kalare Chang Klan Chiangmai Company Limited" (KCC)) Encumbrance None		253.50 (@ Baht 375,000 per sq.wah)

		Asset Group 8: 4-Storey Mansion (SB Mansion)	Appraisal Price (Freehold Land) (Baht million)
		Appraisal date January 11 , 2024 Valuation Market Comparison Approach approach	

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark: 1/ Rounding

The Independent Property Appraiser applies the comparative method using the Sales Adjustment Grid to determine fair market value of assets. This method is applied to compare the appraised property with market data. The Independent Property Appraiser has selected 3 data of land for comparison having an offering price/selling price in a range of Baht 0.31 – 0.38 million per sq.wah, then making preliminary price adjustments, resulting in the preliminary adjusted price in a range of Baht 0.35 – 0.38 million per sq.wah. After adjustments to relevant factors affecting the property price, the adjusted prices were in a range of Baht 0.373 – 0.376 million per sq.wah. Then, the Independent Property Appraiser weighted the adjusted sales prices of the comparable assets and make a final adjustment.

As a results, fair value of the freehold land determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, is equal to Baht 0.375 million per sq.wah or equivalent to total value of Baht 253.50 million.

2.1.8.2 Buildings and constructions

The Independent Property Appraiser used only the Cost Approach in determining value of buildings and constructions because the appraised assets have specific characteristics and are constructed for specific use. In evaluating asset value under the Cost Approach, the Independent Property Appraiser took into consideration the Replacement Cost New, deducted by physical deterioration, functional obsolescence, and economic or external obsolescence of the appraised properties. Details of the appraisal are summarized below:

	Asset Group 8: 4-Storey Mansion (SB Mansion)	Area (sq.m.)	Replacement Cost New		Depreciation	Replacement Cost New Less Depreciation (Baht mn.)
			Per Unit (Baht/sq.m.)	Total (Baht mn.)		
1	4-storey mansion "SB Mansion"	588.00	14,199.00	8.35	56%	3.67
2	2 connected units of 2-storey commercial building	380.00	10,000.00	3.80	75%	0.95
3	3 connected units of 2-storey commercial building	308.00	10,000.00	3.08	75%	0.77
	Total					5.40^{1/}

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark: 1/ Rounding

Fair value of buildings and constructions determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, based on the Cost Approach, is equal to Baht 5.40 million.

Summary of fair value of land, buildings, and construction of 4-Storey Mansion (SB Mansion) (Asset Group 8) determined by the Independent Property Appraiser is as follows:

(Unit: Baht million)

No.	Asset Group 8: 4-Storey Mansion (SB Mansion)	Appraisal Price by the Independent Property Appraiser
1	Freehold land (1-2-76.0 rai)	253.50
2	Buildings and constructions	5.40
	Total	259.00^{1/}

Remark: 1/ Rounding

Summary of the Appraisal Price of Asset Group 1 – 8

Asset Group	Details	Total Area (sq.wah or sq.m.)	Appraisal Price (Bath million)	Valuation Approach
1	The Plaza Chiang Mai - Land - 4-storey shopping mall and parking with a rooftop and basement	1,110.0 sq.wah 19,407.0 sq.m.	582.80 692.92	Market Comparison Approach ^{7/} Cost Approach ^{8/}
	Total Asset Group 1		653.00 ^{1/}	
2	Leasehold rights of land of "Chiang Mai Night Bazaar" and car park building - Land and constructions of Night Bazaar (2-storey building with a basement) - Land and constructions and car park building (2 units of 2-storey building)	Land area: 1,628.0 sq.wah Building area: 13,852.0 sq.m. Land area: 894.7 sq.wah Building area: 5,292.0 sq.m.		
	Total Asset Group 2		347.00	Profit Rent Method ^{9/}
3	Kalare Night Bazaar - Land - 11 items of buildings and constructions	2,735.6 sq.wah 7,839.0 sq.m.	1,408.80 39.00	Market Comparison Approach ^{7/} Cost Approach ^{8/}
	Total Asset Group 3		1,448.00 ^{1/}	
4	Bara Windsor Building (4 units of 3-storey commercial building)	Land area: 88.9 sq.wah Building area: 833.0 sq.m.	64.00 ^{2/}	Market Comparison Approach ^{7/}
5	Ancient House (Zheng He House) - Land - Single-storey wooden ancient house	1,039.0 sq.wah 523.0 sq.m.	384.40 0.89	Market Comparison Approach ^{7/} Cost Approach ^{8/}
	Total group 5		385.00 ^{1/}	
6	A 3-Storey commercial building	Land area: 18.9 sq.wah Building area: 210.0 sq.m.	13.00 ^{3/}	Market Comparison Approach ^{7/}
7	Night Bazaar Place Hotel - Land with 8 units of 3-storey commercial building - Land with hotel buildings (3-storey and 6-storey buildings)	Land area: 149.7 sq.wah Building area: 1,680.0 sq.m. Land area: 260.1 sq.wah Building area: 4,473.0 sq.m.	114.00 ^{4/} 173.00 ^{5/6/}	Market Comparison Approach ^{7/} Cost Approach ^{8/}
	Total Asset Group 7		287.00	
8	4-Storey Mansion (SB Mansion) - Land - Buildings and constructions	343.0 sq.wah 1,276.0 sq.m.	253.50 5.40	Market Comparison Approach ^{7/} Cost Approach ^{8/}
	Total Asset Group 7		259.00 ^{1/}	
	Total Asset Group 1 - 8	Land area: 21-2-0.9 rai (8,600.9 sq.wah)	3,456.00	

Source: Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark:

1/ Rounding

2/ The Independent Property Appraiser used the Cost Approach as a check on the results and found that the current value of the property is Baht **64.50** million, which is close to the value estimated under the Market Comparison Approach.

3/ The Independent Property Appraiser used the Cost Approach as a check on the results and found that the current value of the property is Baht 12.90 million, which is close to the value estimated under the Market Comparison Approach.

4/ The Independent Property Appraiser used the Cost Approach as a check on the results and found that the current value of the property is Baht 102.00 million, which is close to the value estimated under the Market Comparison Approach.

5/ Land value is equal to Baht **143.10** million and building value at current condition is equal to Baht 29.90 million.

6/ The Independent Property Appraiser used the Income Method of Valuation as a check on the results and found that the value of the property after deducting renovation cost is Baht **186.00** million, which is slightly higher than the value determined under the Cost Approach.

7/ The Independent Financial Advisor is of an opinion that the Market Comparison Approach is an appropriate method in determining value of land/commercial buildings that has available comparable and sufficient market price. In addition, the Independent Financial Advisor views that the comparable data of vacant land/commercial building used herein are reasonable as they are located in nearby areas. Moreover, the Independent Property Appraiser made adjustment to various factors according to the characteristics of each asset comparing to those of the appraised assets. Therefore, the adjusted value should be able to reflect appropriate and more comparable value.

8/ The IFA is of an opinion that the Replacement Cost Approach is an appropriate method to evaluate value of the buildings and constructions because they were designed for a specific use and the appraised value was adjusted by depreciation in accordance with conditions and useful life of the buildings and constructions as at the survey date in order to reflect the physical condition of the assets.

- 9/ The Independent Financial Advisor is of an opinion that the Profit Rent Method is an appropriate method in determining value of leasehold asset (Asset Group 2) that has available comparable and sufficient market price of rental fee to compare with contract price. Moreover, the Independent Property Appraiser made adjustment to various factors according to the characteristics of each asset comparing to those of the appraised assets. Therefore, the adjusted value should be able to reflect appropriate and more comparable value.

Total fair value of the Asset Group 1 – 8 determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0005/2024 dated January 25, 2024, is equal to Baht **3,456.00** million.

Summary of the Opinion of the Independent Financial Advisor on Price of the Ordinary Shares of PCC, PS2, and KCC

Comparison of acquisition price of ordinary shares of PCC, PS2, and KCC in order to acquire land and constructions and leasehold rights of land for the development of the Lannatique Destination Project and fair value of assets as determined by the Independent Property Appraiser is as follows:

Lannatique Destination Project	Fair Value of Shares of PCC, PS2, and KCC (Baht million)	Acquisition Price of Ordinary Shares of PCC, PS2, and KCC (Baht million)	Fair Value Higher (Lower) than Acquisition Price	
			(Baht million)	(%)
	(1)	(2)	(3) = (1) – (2)	(4) = (3)/(2)
Land and constructions and leasehold rights of land (core assets of PCC, PS2, and KCC)	3,456.00 ^{1/}	3,448.00 ^{2/}	8.00	0.23

Remark:

- 1/ Fair value of land and constructions and leasehold rights of land based on the Property Appraisal Report No. R0005/2024 dated January 25, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited.
2/ Acquisition price of all ordinary shares of PCC, PS2, and KCC is equal to Baht **3,448.00** million (exclusive of additional payments in the future).

The appraised value of land and constructions and leasehold rights of land for the development of the Lannatique Destination Project (or value of all ordinary shares of PCC, PS2, and KCC) determined by the Independent Property Appraiser is equal to Baht 3,456.00 million, which is higher than the acquisition price of all ordinary shares of PCC, PS2, and KCC by Baht 8.00 million, or higher by 0.23% of the acquisition price. Therefore, the Independent Financial Advisor is of the opinion that the acquisition price of all ordinary shares of PCC, PS2, and KCC in the total amount of Baht **3,448.00** million (exclusive of additional payments in the future) is appropriate.

2.2 The Appropriateness of Investment in the Lannatique Destination Project by Evaluating Free Cash Flow of the Project (FCF)

In determining the appropriateness of the entering into the transaction, the Independent Financial Advisor has prepared financial projection of the Lannatique Destination Project based on estimations of the Company and historical operating performance of other 2 hotels of the Company located in Chiang Mai, namely, Le Meridien Chiang Mai and Hotel Melia Chiang Mai, as well as 7 hotels of the Company in Bangkok and other retails and commercial projects of the Company, namely, Gateway Ekamai Project, Pantip Plaza Pratunam Project, Pantip Plaza Ngamwongwan Project, Asiatique The Riverfront Project, Lasalle 1 Project, Gateway Bangsue Project, and Tawanna 1 Project.

The Independent Financial Advisor adjusted some assumptions in order to reflect industrial and economic conditions based on conservative basis. The Independent Financial Advisor has prepared a 30-year financial projection (2025 - 2054) under the assumption that the Company is on a going concern basis and there is no significant change under normal economic conditions and circumstances.

The Independent Financial Advisor constructs the financial projection based on industry information and historical performance of the Company in normal situation in 2019 (before COVID-19 pandemic in Thailand) and in 2022 – 2023 (after the relaxation and termination of COVID-19 control measures). The Lannatique Destination Project is scheduled to commence operation of the first phase (the Lannatique Kalare Project – Lifestyle Market) in Q2/2024).

The Lannatique Destination Project comprises of 3 sub-projects, which are

- The Plaza Project: An upper upscale hotel inspired by Japanese atmosphere and culture. The hotel will offer 187 rooms.
- Lannatique Bazaar Project comprises of hotel and shopping center. This project will be an extension phase of Chiang Mail Marriot Hotel.
- Lannatique Kalare Project: A mixed used project comprises of hotel, shopping center, and lifestyle market.

2.2.1 The Plaza Project

The Company will renovate existing land and constructions of PSS, which is adjacent to the duditD2 Chiang Mai. (The Company acquired duditD2 Chiang Mai around end of 2023 and has leased the hotel during the development of the Lannatique Destination Project.) The Plaza Project will be developed into an upper upscale hotel⁵⁵ with Japanese atmosphere and culture. There will be a total of 187 rooms (with room sizes of 46 - 96 sq.m.) and facilities such as omakase restaurant, specialty restaurant, cafe, private bar, spa, fitness center, and swimming pool. In addition, The Plaza Project will have retail space for rent such as luxury retail stores, beauty salons, galleries, and concept stores.

The Plaza Project targets high-end luxury and Japanese customers. Japanese tourists prefer to stay in leading hotel brands. The project concept will be a unique Japanese-style hotel with an onsen to attract wellness customers.

The construction and development budget (exclusive of land price) of The Plaza Project is approximately Baht 2,147.55 million (inclusive of VAT). The project will have Gross Floor Area (GFA) of 29,409 sq.m. with Net Leasable Area (NLA) of 14,125 sq.m. Details of the budget are as follows:

(Unit: Baht million)

The Plaza Project	Project Development Budget ^{1/} (Exclusive of VAT)	Project Development Budget ^{1/} (Inclusive of VAT)
Construction and development costs	1,973.46	2,111.60
Pre-opening expenses	33.60	35.95
Total	2,007.06	2,147.55

Remark: 1/ Exclusive of land price and financial cost.

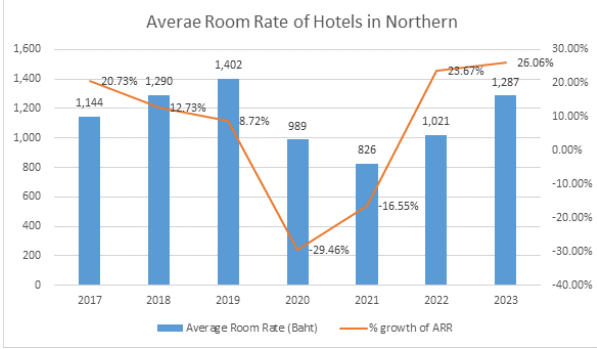
Please refer to Hotel Industry and Retail Property Outlook in Attachment 5 of this report.

Key assumptions used in financial projection are as follows:

Projection period of The Plaza Project is 2025 – 2053, during which the construction shall commence in 2025 and revenue recognition begins in Q1/2028.

- Revenue from hotel business
Revenue from hotel business comprises of room revenue, F&B revenue, and other revenues.
Key assumptions are as follows:

⁵⁵ Please refer to Footnote 50 on page 105.

Description	Assumption	Remark
Opening date	Q1/2028	
No. of guest rooms	187 keys	
Room revenue		
Average room rate (ARR)	Year 2028: Baht 9,000 per room ^{1/} Year 2029: increase by 8% p.a. Year 2030: increase by 6% p.a. Year 2031: increase by 5% p.a. Year 2032 onwards: increase by 3.5% p.a.	<ul style="list-style-type: none"> - ARR growth in the early period is normally higher than industry average as the new hotels are more attractive than the old ones, resulting in higher room rate than normal. - Long-term growth rate is assumed at 3.50% p.a., which is lower than the compound annual growth rate (CAGR) of average room rate of accommodation in the North of Thailand in 2016 – 2023 of 4.75% p.a. and based on conservative basis. <p><i>(Reference to the average room rate of accommodation from the Bank of Thailand)</i></p>  <p>Source: Data from the Bank of Thailand</p>
Occupancy rate	Year 2028: 65.00% Year 2029: 70.00% Year 2030: 75.00% Year 2031: 77.00% Year 2032 onwards: 80.00%	<ul style="list-style-type: none"> - The Company bases the projection of occupancy rate growth on historical information, together with the estimation of occupancy rate by the hotel operator. - The average occupancy rate of hotels in Chiang Mai⁵⁶ was in the range of 69.87% - 76.02% in 2016 – 2022, and 72.78% in January – November 2023. <i>(Please refer to Figure 41 in Attachment 5 of this report)</i> - In addition, according to historical data of 2 hotels of the Company in Chiang Mai, the occupancy rate of Le Meridien Chiang Mai (rebranded to Chiang Mai Marriot Hotel at the end of 2023) was 80.30% in 2019 (Pre COVID-19) and 33.40% in 2023, and the occupancy rate of Hotel Melia Chiang Mai was 64.00% in 2023. (Hotel Melia Chiang Mai commenced its business operation in 2023.)
Food and beverage revenue		
Food and beverage revenue ratio	Year 2028: 42.00% of room revenue Year 2029: 41.00% of room revenue Year 2030: 40.00% of room revenue Year 2031: 39.00% of room revenue Year 2032 onwards: 38.00% of room revenue	<ul style="list-style-type: none"> - The Plaza Project will have restaurants, lounges, omakase restaurant, and pool bars with total area of 1,977 sq.m. (14.00% of NLA), which include restaurant by Mae Kha Canal. - Ratio of food and beverage revenue of The Plaza Project is close to that of Hotel Melia Chiang Mai in 2023, which was approximately 43% of room revenue. In addition, the ratio of food and beverage revenue of the tentative hotel brand for The Plaza Project was 59% and 49% of room revenue in 2019 and 2023, respectively.
Other revenues^{2/}		
Other revenues ratio	Year 2028: 13.00% of room revenue Year 2029: 12.50% of room revenue Year 2030: 12.00% of room revenue Year 2031: 11.50% of room revenue Year 2032 onwards: 11.00% of room revenue	<ul style="list-style-type: none"> - The Plaza Project will equip with rental area and recreation area providing spa and onsen service as well as co-working space with total area of 2,116 sq.m. (approximately 15% of NLA). - Other revenues ratio of The Plaza Project is higher than other revenues ratio of the Company's 2 hotels in Chiang Mai. Other revenue ratio of those 2 hotels were 2.53% and 4.41% of room revenue in 2023. Since The Plaza Project is positioned as an upper upscale hotel with the allocation of hotel area for spa and onsen services with a Japanese aesthetic and culture experience and having rental areas for retail shops of 361 sq.m., ratio of other revenues of The Plaza Project will be higher than those of the other 2 hotels.

⁵⁶ Comprises of hotels, guest houses, resorts, and others.

Remark:

- 1/ The Company estimated the average room rate in the first year (2028) of Baht 9,000 per night, which is the price in the next 4 years. The room size of the Plaza Project is approximately 46 – 96 sq.m. (the largest number of rooms is in size 46 – 50 sq.m.) with various facilities.

	Hotel	Location	No. of Room (keys)	Room Area (sq.m.)	Meeting Room Area (sq.m.)	Average Room Rate – Deluxe Room ^{a/} (Baht/night)
1	Movenpick Suriwongse Hotel Chiang Mai	Chang Khlan Rd.	262	30 – 45, 60	513	8,500
2	U Nimman Chiang Mai	Nimmanhaemin Rd.	147	36 – 50, 67 - 134	1,000	6,110
3	Na Nirand Romantic Boutique Resort	Charoen Prathet Rd. (by Ping River)	45	34 – 73	-	10,858
4	Anantara Chiang Mai Resort	Charoen Prathet Rd. (by Ping River)	84	50 – 105	114	11,029
5	Cross Chiang Mai Riverside Resort	Charoenrat Rd. (Wat Ket Area)	29	51 – 65, 178	-	5,614
6	Raya Heritage Hotel	Soi Pa Ton, Don Kaew District	38	75, 100	-	14,428
7	Rachamankha Hotel Chiang Mai	Suan Dok Gate	25	32 – 40, 100	-	8,806
8	Hotel Melia Chiang Mai	Charoen Prathet Rd.	260	30 – 62, 113	1,282	5,984 ^{b/} /6,657
9	Chiang Mai Marriot Hotel	Chang Khlan Rd.	383	36 – 76	1,741	6,600 ^{b/} /7,500
10	InterContinental Chiang Mai	Sridonchai Rd.	240 (Phase 1)	30 – 43, 114 – 165	1,596	9,858.5 ^{b/} /10,764
	The Plaza Project	Chang Khlan Rd.	145	46 - 90	46 – 96	n.a.

Source: www.booking.com (information as of January 14, 2024)

Remark: In general, room rate depends on location, room size, luxury level and amenities, season, and novelty.

- a/ Room rate for smallest size room for 2 person inclusive of breakfast and exclusive of VAT and fee (rate for January 19 – 22, 2024).
- b/ Room rate for smallest size room for 2 person exclusive of breakfast, VAT, and fee (rate for January 19 – 22, 2024).
- 2/ Other revenues are revenue from service of other departments such as spa revenue, laundry revenue, telephone charge, revenue from convenience/souvenir shops, and other income.

- Revenue from rent

In addition to hotel business, the Plaza Project will have retail space for rent, which is located beside the hotel building, with the total area of approximately 882 sq.m.

The Company estimated rental rate of Baht 170 per sq.m. for 2028 (the first year) and increases by 5% p.a. The occupancy rate is estimated at 80% throughout the projection period. Estimated net revenue from rent for The Plaza Project is at Baht 1.15 million in 2028 and increases by 5% p.a.

- Cost and expenses

Key assumptions are as follows:

Description	Assumption	Remark
Cost of sales and services		
Cost of room services ^{1/}	Year 2028: 24.00% of room revenue Year 2029: 23.00% of room revenue Year 2030: 22.00% of room revenue Year 2031: 21.00% of room revenue Year 2032 onwards: 20.00% of room revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of room services in 2019 was in the range of 17.00% - 24.00% of room revenue. - Ratio of cost of room services of Le Meridien Chiang Mai and of Hotel Melia Chiang Mai in 2023 was 21.00% of room revenue.
Cost of food and beverage ^{2/}	Year 2028: 72.00% of F&B revenue Year 2029: 71.00% of F&B revenue Year 2030: 70.00% of F&B revenue Year 2031: 69.00% of F&B revenue Year 2032 onwards: 68.00% of F&B revenue	- The Plaza Project will be hotel in food and beverage hotel group with total area for restaurants and omakase restaurant of approximately 1,977 sq.m. - According to the historical data of the Company's MICE and F&B hotels (4 hotels) in Bangkok, the ratio of cost of food and beverage was in the range of 54.00% - 74.00% of food and beverage revenue in 2019. - Ratio of cost of food and beverage of Le Meridien Chiang Mai and Hotel Melia Chiang Mai were equal to 113.00% and 74.00% of food and beverage revenue in 2023, respectively, which is relatively high due to the different positioning of such hotels from that of The Plaza Project and the low occupancy rate of hotels in Chiang Mai as Chiang Mai tourism has not fully recovered. <i>(Please refer to Hotel Industry and Retail Property Outlook in Attachment 5 of this report)</i>
Cost of services of other departments ^{3/}	Year 2029 – 2033: 50.00% of other revenues	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of services of other departments in 2019 was in the range of 31.00% - 60.00% of other revenues.

Description	Assumption	Remark
		- Ratio of cost of services of other departments of Le Meridien Chiang Mai and Hotel Melia Chiang Mai were equal to 72.00% and 54.00% of other revenues in 2023, respectively.
Selling and administrative expenses		
Overhead department expenses ^{4/}	Year 2028 : 27.00% of total revenue Year 2029 : 24.50% of total revenue Year 2030 : 23.00% of total revenue Year 2031 : 22.50% of total revenue Year 2032 onwards : overhead department expenses (excluding marketing expense) increase by 2.00% p.a. ^{5/} and marketing expenses is equal to 4.50% of total revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of overhead department expenses in 2019 was in the range of 21.00% - 27.00% of total revenue. - Ratio of overhead department expenses of Le Meridien Chiang Mai and Hotel Melia Chiang Mai in 2023 were 44.00% and 27.00% of total revenue, respectively. Ratio of overhead department expenses of such hotels were high due to low occupancy rate comparing to pre COVID-19 period.
Land and building tax, insurance premium, and other expenses	Year 2032 – 2053 : 1.20% – 1.64% of total revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of land and building tax, insurance premium, and other expenses in 2019 was in the range of 0.64% - 2.09% of total revenue. - Ratio of land and building tax, insurance premium, and other expenses of Le Meridien Chiang Mai and Hotel Melia Chiang Mai in 2023 were 5.70% and 1.90% of total revenue, respectively.
Hotel management fee	Base management fee and incentive management fee are assumed at the rate as agreed with the hotel management chain.	
Asset management fee⁵⁷		
Asset management fee	Asset management fee is assumed at 1.50% of asset value (calculated from acquisition price of land, investment in the Project, and annual capital expenditure (CapEx)), which is based on the Company's policy.	

Remark:

- 1/ Cost of room services consists mainly of employee expenses, utilities expenses, and other expenses such as laundry expenses, cleaning expenses, and other room amenities expenses.
- 2/ Cost of food and beverage consists mainly of food and beverage expenses, employee expenses, utilities expenses, and other expenses.
- 3/ Cost of services of other departments mainly consists of cost of spa service, laundry, telephone charge, convenience/souvenir shops, and other costs. Cost of services of each department comprises of direct service costs, employee expenses, and other expenses.
- 4/ Overhead department expenses consist of management fee, repair & maintenance and utilities expenses, IT expenses, utilities expenses, and marketing expenses.
- 5/ Reference to the average 20-year historical growth rate of Consumer Price Index (2005 – 1M/2024) of 2.00% p.a.

Most cost and expense estimates are based on estimation of operating performance presented by hotel operator and/or estimates based on historical performance of the Company. The Independent Financial Advisor has reviewed the accuracy of cost and expense estimates by comparing with the operating performance of other hotels of the Company that are similar or in the same area. It was found that the estimated ratio of cost and expenses is viable under the Company's management.

In addition, cost expenses in the early stage will be higher than the period when the hotel has stable operating performance because revenue and occupancy rate will gradually increase while some fixed costs, such as employee salaries and benefits, utilities expense, security expense, cleaning expense, and repair and maintenance cost, do not increase in proportion to the increase in income.

- Financial cost

The Company assumes ratio of loan to shareholders' equity of the Project at 60:40 based on target debt to equity ratio of the Group of Company with the estimated interest rate on loan of 5.00% p.a. (the Company estimates interest rate on long-term loan at 4.20% p.a., which is the interest rate after interest rate swap from floating to fixed rate). However, the IFA assumes the cost of debt of the project of 5.00% p.a. in 2024 – 2029, based on the additional payments to be paid to the Sellers of Ordinary Shares for delay of payment. Cost of debt in 2030 onwards is assumed at 4.20% p.a.

- Corporate income tax

The IFA assumed corporate income tax rate of **20%** throughout the projection period.

⁵⁷ Asset management fee is recorded in income statement for the purpose of tax calculation but such amount is added back when calculate cash flow of the project.

- Project development cost

Project development cost of The Plaza Project is estimated at Baht **2,007.06** million (exclusive of VAT). The project development cost shall be gradually invested during 2025 - 2028. Summary of cash outflow for project development is as follows:

(Unit: Baht million)

The Plaza Project	2025F	2026F	2027F	2028F	Total
Project development cost	493.37	394.69	789.38	296.02	1,973.46
Pre-opening expenses (realized to PL ^{1/})	-	-	23.60	10.00	33.60
Total (exclusive of VAT) ^{2/}	493.37	394.69	812.98	306.02	2,007.06

Remark: 1/ Pre-opening expenses shall be realized to income statement in 2027 - 2028.

2/ Exclusive of land price and financial cost.

The average development cost of The Plaza Project is equal to Baht 67,103.95 per sq.m. or Baht 10.55 million per room (exclusive of pre-opening expenses). From the historical information of the Company, average project development cost is approximately Baht 50,000 – 75,000 per sq.m.⁵⁸ In addition, from industry information, construction cost of hotels is approximately Baht 5 – 10 million per room.⁵⁹ However, project development cost of each project will depend on the investment model, project format, design, and luxury level of the project.

- Capital expenditure

The Independent Financial Advisor assumes capital expenditure at 4.00% of total revenue, similar to hotel industrial standard and close to historical information of the Company.

- Assets and liabilities turnover

Based on the Company's policy and industry information as follows:

Trade account receivables	30.00	days on average
Inventory	12.00	days on average
Trade account payables	30.00	days on average

- Summary of financial projection of The Plaza Project

(Unit: Baht million)

The Plaza Project	2028F ^{1/}	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F – 2053F
Room revenue	334.75	464.41	527.43	590.73	611.40	632.80	654.95	677.87	701.60	726.15	751.57 – 1,259.14
F&B revenue	140.59	190.41	210.97	230.38	232.33	240.46	248.88	257.59	266.61	275.94	285.60 – 478.47
Other revenues	43.52	58.05	63.29	67.93	67.25	69.61	72.04	74.57	77.18	79.88	82.67 – 138.51
Total revenue	518.86	712.86	801.70	889.04	910.99	942.87	975.87	1,010.03	1,045.38	1,081.97	1,119.84 – 1,876.12
Total cost of sales and services	(203.33)	(271.03)	(295.36)	(316.98)	(313.89)	(324.88)	(336.25)	(348.02)	(360.20)	(372.81)	(385.86) – (646.44)
Gross profit	315.53	441.84	506.34	572.06	597.09	617.99	639.62	662.01	685.18	709.16	733.98 – 1,229.67
EBITDA before asset management fee	152.60	236.47	287.35	333.56	353.30	368.19	383.66	399.56	416.23	433.53	451.48 – 817.61
EBITDA	101.03	194.54	245.00	290.74	309.99	324.39	339.35	354.73	370.85	387.58	404.96 – 759.72
Revenue from rent - net	1.15	1.21	1.27	1.33	1.40	1.47	1.54	1.62	1.70	1.79	1.88 – 3.93
EBIT	6.69	76.45	120.50	159.12	171.09	214.99	234.42	248.13	263.00	278.37	302.30 – 674.78
Net profit	(53.46)	(5.38)	42.50	75.17	80.75	121.32	142.65	159.86	178.65	198.46	225.88 – 539.82

Remark: 1/ The project is scheduled for opening in Q1/2028.

2.2.2 Lannatique Bazaar Project

Lannatique Bazaar Project will be an extension of the Chiang Mai Marriot Hotel,⁶⁰ which opened in Q4/2023. The hotel focuses on the MICE⁶¹ market to accommodate the growing demand in the future.

The Company foresees the potential of Chiang Mai Province for a MICE market, both in terms of its natural and its unique arts and culture, where the organizations or event organizers can use to create creative meeting plans and impress attendees. The Chiang Mai Marriot Hotel is also equipped with modern technology and facilities for organizing all types of meetings and seminars.

⁵⁸ Reference to the project development cost of Aquatique by the Beach Project (AOT) – Hotel Part, Woeng Nakhon Kasem Project, Sukhumvit 38 Hotel Project, Swan Project, and Song Wat Project.

⁵⁹ Please refer to Footnote 52 on page 108.

⁶⁰ Chiang Mai Marriott Hotel opened in Q4/2023. It is the first Marriott hotel in the northern region of Thailand that offers the largest premium facilities for MICE customers. It will elevate the Chang Khlan area to become a luxury MICE hub.

⁶¹ MICE stands for Meetings, Incentive Travel, Conventions, Exhibitions.

The Company aims to make the Chiang Mai Marriot Hotel be the best MICE hotel in Chiang Mai. Therefore, the Company plans to increase number of guest rooms and meeting rooms to accommodate the growing demand in the future.

The Company plans to renovate the existing building and construct new 12-storey building. The construction and development budget (exclusive of land price) of Lannatique Bazaar Project is approximately Baht 2,865.95 million (inclusive of VAT). Gross Floor Area (GFA) is at 54,509 sq.m. (comprising of hotel, retail shops, and parking area) with Net Leasable Area (NLA) of 24,039 sq.m. Details of the budget are as follows:

(Unit: Baht million)

Lannatique Bazaar Project	Project Development Budget ^{1/} (Exclusive of VAT)	Project Development Budget ^{1/} (Inclusive of VAT)
Construction and development cost	2,606.35	2,788.80
Pre-opening expenses	72.10	77.15
Total	2,678.45	2,865.95

Remark: 1/ Exclusive of land price and financial cost.

Please refer to Hotel Industry and Retail Property Outlook in Attachment 5 of this report.

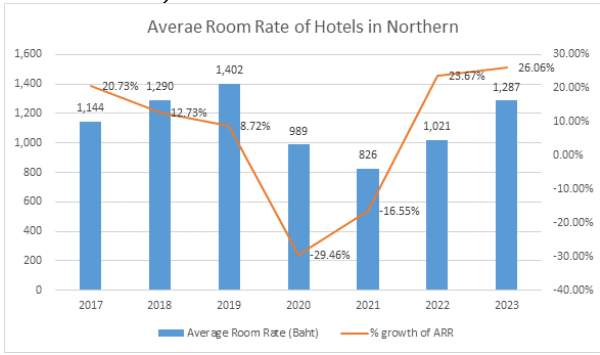
Key assumptions used in financial projection of the Lannatique Bazaar Project are as follows:

The IFA constructs a 19-year financial forecast for 2026 – 2044 (under the assumption that construction commences in 2026 and revenue recognition begins in Q4/2029) to be align with term of the Lease Agreement⁶² and based on conservative basis.

2.2.2.1 Lannatique Bazaar Project – Hotel

Revenue from hotel business

Revenue from hotel business comprises of room revenue, F&B revenues, and other revenues.

Description	Assumption	Remark
Opening date	Q4/2029	
No. of guest rooms	297 keys	
Room revenue		
Average room rate (ARR)	Year 2029 - 2030 : Baht 7,300 per night ^{1/} Year 2031 : increase by 8% p.a. Year 2032 : increase by 6% p.a. Year 2033 : increase by 5% p.a. Year 2034 onwards: increase by 3.5% p.a.	<ul style="list-style-type: none"> - ARR growth in the early period is normally higher than industry average as the new hotels are more attractive than the old ones, resulting in higher room rate than normal. - Long-term growth rate is assumed at 3.50% p.a., which is lower than the compound annual growth rate (CAGR) of average room rate of accommodation in the North of Thailand in 2016 – 2023 of 4.75% p.a., based on conservative basis. (Reference to the average room rate of accommodation from the Bank of Thailand) 
Occupancy rate	Year 2029 : 65.00% Year 2030 : 70.00% Year 2031 : 75.00% Year 2032 onwards: 80.00%	<ul style="list-style-type: none"> - The Company bases the projection of occupancy rate growth on historical information, together with the estimation of occupancy rate by the hotel operator. - The average occupancy rate of hotels⁶³ in Chiang Mai was in the range of 69.87% - 76.02% in 2016 – 2022 and 72.78% in January – November 2023. (Please refer to Figure 41 in Attachment 5 of this report) - In addition, according to historical data of 4 hotels of the Company in Bangkok which are the MICE and F&B hotels, namely The Athenee Hotel Bangkok, The Okura Prestige

⁶² Lease Agreement dated June 26, 2014 has a term of 30 years from July 1, 2014 to June 30, 2044.

⁶³ Comprises of hotels, guest houses, resorts, and others.

Description	Assumption	Remark
		Bangkok, Bangkok Marriott Marquis Queen's Park , and Bangkok Marriott Hotel The Surawongse, the occupancy rate in 2019 (pre COVID-19 pandemic) was at 74.90% - 83.10%. The occupancy rate of hotels of the Company in Chiang Mai, namely Le Meridien Chiang Mai (rebranded to Chiang Mai Marriott Hotel around end of 2023) was 80.30% in 2019 (pre COVID-19 pandemic) and 33.40% in 2023, while the occupancy rate of Hotel Melia Chiang Mai was 64.00% in 2023 (Hotel Melia Chiang Mai commenced its business operation in 2023).
Food and beverage revenue		
Food and beverage revenue ratio	Year 2029 - 2030: 36.00% of room revenue Year 2031 : 35.00% of room revenue Year 2032 : 34.00% of room revenue Year 2033 : 33.00% of room revenue Year 2034 onwards: 32.00% of room revenue	- Lannatique Bazaar Project will have total restaurant area of 1,889 sq.m. (11.58% of NLA). - Ratio of food and beverage revenue of Lannatique Bazaar Project is lower than the historical performance of MICE hotels of the Company, which was in the range of 57.38% - 108.51% of room revenue in 2019. This is due to the fact that the Lannatique Bazaar Project will be the extension of Chiang Mai Marriott Hotel, which is a MICE hotel with large meeting and convention areas while the Lannatique Bazaar Project will not have meeting/ballroom area.
Other revenues^{2/}		
Other revenues ratio	Year 2029 onwards: 5.00% of room revenue	- Lannatique Bazaar Project will have a spa area of 359 sq.m. (2.34% of NLA) - Ratio of other revenues of Lannatique Bazaar Project is slightly higher than that of 2 of the Company's hotels in Chiang Mai which were at 2.53% and 4.41% of room revenue in 2023.

Remark:

1/ The Company estimated the average room rate in the first year (2029) of Baht 7,300 per night, which is the price in the next 5 years. The tentative hotel brand, room size of the project (35 - 153 sq.m.), and facilities are also taken into consideration.

	Hotel	Location	No. of Room (Keys)	Room Area (sq.m.)	Meeting Room Area (sq.m.)	Average Room Rate – Deluxe room ^{a/} (Baht/night)
1	Movenpick Suriwongse Hotel Chiang Mai	Chang Khlan Rd.	262	30 – 45, 60	513	8,100 ^{b/} /8,500
2	U Nimman Chiang Mai	Nimmanhaemin Rd.	147	36 – 50, 67 - 134	1,000	6,110
3	Hotel Melia Chiang Mai	Charoen Prathet Rd.	260	30 – 62, 113	1,282	5,984 ^{b/} /6,657
4	Chiang Mai Marriott Hotel	Chang Khlan Rd.	383	36 – 76	1,741	6,600 ^{b/} /7,500
5	InterContinental Chiang Mai	Sridonchai Rd.	240 (Phase 1)	30 – 43, 114 – 165	1,596	9,858.5 ^{b/} /10,764
	Lannatique Bazaar Project	Chang Khlan Rd.	297	35 - 153	-	n.a.

Source: www.booking.com and www.agoda.com (information as of January 14, 2024)

Remark: In general, room rate depends on location, room size, luxury level and amenities, season, and novelty.

a/ Room rate for smallest size room for 2 person inclusive of breakfast but exclusive of VAT and fee (rate for January 19 – 22, 2024).

b/ Room rate for smallest size room for 2 person exclusive of breakfast, VAT, and fee (rate for January 19 – 22, 2024).

2/ Other revenues are revenue from services of other departments such as spa revenue, laundry revenue, telephone charge, revenue from convenience/souvenir shops, and other income.

▪ Cost and expenses - hotel

Key assumptions are as follows:

Description	Assumption	Remark
Cost of sales and services		
Cost of room services ^{1/}	Year 2029 - 2030: 24.00% of room revenue Year 2031 : 23.00% of room revenue Year 2032 : 22.00% of room revenue Year 2033 : 21.00% of room revenue Year 2034 onwards: 20.00% of room revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of room services in 2019 was in the range of 17.00% - 24.00% of room revenue. - Ratio of cost of room services of Le Meridien Chiang Mai and of Hotel Melia Chiang Mai in 2023 was at 21.00% of room revenue.
Cost of food and beverage ^{2/}	Year 2029 : 72.00% of F&B revenue Year 2030 : 71.00% of F&B revenue Year 2031 : 70.00% of F&B revenue Year 2032 : 69.00% of F&B revenue Year 2033 onwards: 68.00% of F&B revenue	- Lannatique Bazaar Project is positioned to be a MICE hotel. - According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of food and beverage in 2019 was in the range of 54.00% - 83.00% of food and beverage revenue. - Ratio of cost of food and beverage of Le Meridien Chiang Mai and Hotel Melia Chiang Mai in 2023 were equal to

Description	Assumption	Remark
		113.00% and 74.00% of food and beverage revenue, respectively, which is relatively high due to different positioning of such hotels from that of Lannatique Bazaar Project and low occupancy rate of these 2 hotels as Chiang Mai tourism has not fully recovered.
Cost of services of other departments ^{3/}	Year 2029 - 2044: 50.00% of other revenues	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of services of other departments in 2019 was in the range of 31.00% - 60.00% of other revenues, while ratio of cost of services of other departments of Le Meridien Chiang Mai and of Hotel Melia Chiang Mai in 2023 were equal to 72.00% and 54.00% of other revenues, respectively.
Selling and administrative expenses		
Overhead department expenses ^{4/}	Year 2029: 26.00% of total revenue Year 2030: 24.00% of total revenue Year 2031: 22.50% of total revenue Year 2032: 20.50% of total revenue Year 2033 onwards: overhead department expenses (excluding marketing expense) increase by 2.00% p.a. ^{5/} and marketing expenses is equal to 4.50% of total revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of overhead department expenses in 2019 was in the range of 21.00% - 27.00% of total revenue. - Ratio of overhead department expenses of Le Meridien Chiang Mai and Hotel Melia Chiang Mai in 2023 were 44.00% and 27.00% of total revenue, respectively. The ratio of overhead department expenses of such hotels were high due to the low occupancy rates comparing to pre COVID-19 period. - Since the Lannatique Bazaar Project – Hotel is an extension of Chiang Mai Marriot Hotel, both hotels will be able to share some management, resulting in lower administrative expenses.
Land and building tax, insurance premium, and other expenses	Year 2029 – 2044: 1.26% – 1.51% of total revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of land and building tax, insurance premium, and other expenses in 2019 was in the range of 0.64% - 2.09% of total revenue. - Ratio of land and building tax, insurance premium, and other expenses of Le Meridien Chiang Mai and Hotel Melia Chiang Mai in 2023 were 5.70% and 1.90% of total revenue, respectively.
Hotel management fee	Base management fee and incentive management fee are assumed at the rate as agreed with the hotel management chain.	
Asset management fee⁶⁴		
Asset management fee	Asset management fee is assumed at 1.50% of asset value (calculated from acquisition price of land, investment in the Hotel, and annual capital expenditure (CapEx)), which is based on the Company's policy.	

Remark:

- 1/ Cost of room services consists mainly of employee expenses, utilities expenses, and other expenses such as laundry expenses, cleaning expenses, and other room amenities expenses.
- 2/ Cost of food and beverages consists mainly of food and beverages expenses, employee expenses, utilities expenses, and other expenses.
- 3/ Cost of services of other departments mainly consists of cost of spa service, laundry, telephone charge, convenience/souvenir shops, and other costs. Cost of services of each department comprises of direct service costs, employee expenses, and other expenses.
- 4/ Overhead department expenses consist of management fee, repair & maintenance and utilities expenses, IT expenses, utilities expenses, and marketing expenses.
- 5/ Reference to the average 20-year historical growth rate of Consumer Price Index (2005 – 1M/2024) of 2.00% p.a.

Most cost and expense estimates are based on estimation of operating performance presented by hotel operator and/or estimates based on historical performance of the Company. The Independent Financial Advisor has reviewed the accuracy of cost and expense estimates by comparing with the operating performance of other hotels of the Company that are similar or in the same area. It was found that the estimated ratio of cost and expenses is viable under the Company's management.

In addition, cost expenses in the early stage will be higher than the period when the hotel has stable operating performance because revenue and occupancy rate will gradually increase while some fixed costs, such as employee salaries and benefits, utilities expense, security expense, cleaning expense, and repair and maintenance cost, do not increase in proportion to the increase in income.

⁶⁴ Asset management fee is recorded in income statement of the project for the purpose of tax calculation but such amount is added back when calculate cash flow of the Project.

2.2.2.2 Lannatique Bazaar Project – Retail and Commercial Space

- Revenue from retail and commercial space

The retail and commercial space will be in Phase 1 of the Lannatique Bazaar Project on the 1st – 4th floor of 12-storey building, where the 5th – 12th floor will be hotel area (Phase 2).

Total revenue consists of rental and services revenue and other revenues (other revenues consist of event revenue, utilities revenue, parking revenue, media and marketing revenue, and other rental and services revenues).

Total net leasable area of the retail and commercial space is **7,731** sq.m., which is scheduled to open in Q4/2029. The retail space is planned to be a hub for contemporary or trendy retail and restaurants, including supermarkets and souvenir shops, to attract various group of customers, including teenagers, tourists, and general customers.

Key assumptions are as follows:

Description	Assumption	Remark
Opening date	Q4/2029	
Net leasable area (NLA)	7,731 sq.m.	
Rental and services revenue		
Average rent rate (ARR)	Year 2029 - 2030: Baht 950.00 per sq.m. Year 2031 - 2036: increase by 5% p.a. Year 2037 onwards: increase by 3.3% p.a.	<ul style="list-style-type: none"> The rental rate is based on the market price of rent for each type of store, which has a weighted average value based on the Tenant Mix of the project, including the location of the project which is located in the city center. The IFA rechecked the average rent rate of Central Airport Chiang Mai which was approximately Baht 1,500 per sq.m. in 2019 and Baht 1,000 per sq.m. in 2022. (Source: Form 56-1 One Report of CPN Retail Growth Leasehold REIT in 2019 – 2022) In addition, from information provided by the Company, the average rent rate of Maya Lifestyle Shopping Center Chiang Mai was of Baht 967 per sq.m. per month, and the average rent rate of Central Festival Chiang Mai was of Baht 999 per sq.m. per month. The IFA assumes the average growth of rent rate of 3.3% p.a., according to the average growth of rent rate of industry.⁶⁵
Occupancy rate	Year 2029 - 2030: 75.00% Year 2031: 80.00% Year 2032: 85.00% Year 2033: 90.00% Year 2034 onwards: 95.00%	<ul style="list-style-type: none"> The average occupancy rate of CPN in the past 5 years before COVID-19 pandemic (2015 – 2019) was 93.20%, while the average occupancy rate in 2022 was 90.00%. (Source: Form 56-1 One Report of Central Pattana Public Company Limited in 2015 – 2022) Besides, the IFA rechecked the average occupancy rate of Kard Farang Village Chiang Mai (opened in 2021) which was at 84.70% in Q3/2023, decreased from 88.50% in 2023. (Source: Form 56-1 One Report of ALLY Leasehold Real Estate Investment Trust for 2021 – 2022 and MD&A of Q3/2023) However, Lannatique Bazaar Project will locate in good location, in city center of Chiang Mai, and surrounded with many projects of the Company. This location will be a new landmark of Chiang Mai. Therefore, the occupancy rate of Lannatique Bazaar Project should be high according to the Company's business plan and forecast.
Other revenues^{1/}		
Other revenues ratio	46.00% of rental and services revenue, Comprised of (1) rental of promotion areas and utility revenue of 24.00% of rental and services revenue, and (2) other revenues of 22.00% of rental and services revenue.	<ul style="list-style-type: none"> Ratio of average other revenues of other retail and commercial projects of the Company in 2019 was 47.48% of rental and services revenue. Ratio of other revenues of each project depends on concept of the project, location, marketing plan such as promotion area and event, parking service income.

Remark:

⁶⁵ The IFA considers information of the retail property industry regarding growth of average rent rate, occupancy rate, and average rent rate, from the historical information and performance of SET-listed company. Summary is as follows:

- The average same store rental revenue growth of CPN in the past 5 years before the COVID-19 pandemic (2015 – 2019) was 3.26% p.a. (Source: Form 56-1 of Central Pattana Public Company Limited in 2015 - 2019)
- The average rent rate of CPN in 2019 (pre COVID-19 pandemic) was approximately Baht 1,500 per sq.m., while the average rent rate in 2022 was approximately Baht 1,300 per sq.m., which was lower than the average rent rate of 2019. (Source: The IFA calculated the average rent rate of CPN as shown in Form 56-1 or Form 56-1 One Report of Central Pattana Public Company Limited in 2019 - 2022)

1/ Other revenues consist mainly of utilities revenue, parking revenue, media and marketing income, event revenue, and other rental and services revenues, depending on type of property.

- Cost and expenses – retail and commercial space

Operating expenses consist of direct operating expenses, land rental fee, land and building tax, marketing expenses, and administrative expenses. Key assumptions are as follows:

Description	Assumption	Remark
Cost of sales and services^{1/}		
Employee expenses	Year 2029: 10.00% of total revenue Year 2030: 9.00% of total revenue Year 2031: 8.00% of total revenue Year 2032 onwards: increase by 3.00% p.a.	Ratio of employee expenses of the Company's retail and commercial property in 2019 was in the range of 5.33% - 12.15% of total revenue (average ratio of employee expenses was 7.87% of total revenue).
Utility expenses	Year 2029: 15.00% of total revenue Year 2030: 14.50% of total revenue Year 2031 - 2033: 14.00% of total revenue Year 2034 onwards: increase by 2.00% p.a. ^{2/}	Ratio of utility expenses of Gateway Ekamai Project, Pantip Plaza Pratunam Project, and Pantip Plaza Ngamwongwan Project in 2019 was in the range of 12.0% - 17.0% of total revenue (average ratio of utility expenses was 13.7% of total revenue).
Other expenses	Year 2029 - 2031: 5% of total revenue Year 2032 onwards: increase by 2.00% p.a. ^{2/}	- Other expenses such as repair and maintenance expenses, security expenses, cleaning expenses, parking management fee, insurance premium, and others. - Ratio of other expenses of the Company's retail and commercial property in 2019 was in the range of 4.5% – 5.7% of total revenue.
Land and building tax	Year 2029 - 2043: 1.10% – 2.26% of total revenue	- The average ratio of land and building tax of the Company's retail and commercial property in 2019 was in the range of 0.5% – 6.1% of total revenue. - Land and building tax expenses of Lannatique Destination Project is calculated by referring to the appraisal price of land announced by the Treasury Department and the current land and building tax rate. In addition, the IFA allocates land and building tax expenses to each project based on revenue ratios.
Selling and administrative expenses		
Selling and administrative expenses	Year 2029 - 2030: 8.00% of total revenue Year 2031: 5.50% of total revenue Year 2032 onwards: administrative expenses increase by 2.00% p.a. and marketing expenses is equal to 2.50% of total revenue	- The average ratio of selling and administrative expenses of the other retail commercial property projects of the Company was in the range of 1.1% - 18.5% of total revenue (average of 7% of total revenue).
Asset management fee⁶⁶		
Asset management fee	Asset management fee is assumed at 1.50% of asset value (calculated from acquisition price of land, investment in the project, and annual capital expenditure (CapEx)), which is based on the Company's policy.	

Remark:

1/ Cost of sales and services comprises of employee expenses, utility expenses, repair and maintenance expenses, insurance premium, security expenses, cleaning expenses and other direct costs.

2/ Reference to the average 20-year historical growth rate of Consumer Price Index (2005 – 1M/2024) of 2.00% p.a.

- Land rental fee

According to the Lease Agreement with a 30-year term from July 1, 2014 to June 30, 2044, where the rental fee shall be adjusted by 25% every 5 years, the rental fee for 2024 is amounted to Baht 0.15 million per month.

- Financial cost

The Company assumes ratio of loan to shareholders' equity of the project at 60:40 based on target debt to equity ratio of the Group of Company (the Company estimated interest rate on long-term loan of 4.20% p.a., which is the rate after interest rate swap from floating to fixed rate, based on current interest rate on loan of the Company). However, the IFA assumes the cost of debt of the project at 5.00% p.a. in 2024 – 2029, based on the additional payment to be paid to the Sellers of Ordinary Shares for delay of payment, and 4.20% p.a. from 2030 onwards.

⁶⁶ Asset management fee is recorded in income statement of 38D for the purpose of tax calculation but such amount is added back when calculate cash flow of the Hotel.

- Corporate income tax

The IFA assumes corporate income tax rate of **20%** throughout the projection period.

- Project development cost

Project development cost of the Lannatique Bazaar Project is estimated at Baht 2,678.45 million (exclusive of VAT). The project development cost shall be gradually invested during 2026 - 2029. Summary of cash outflow for project development is as follows:

(Unit: Baht million)

Lannatique Bazaar Project – Retail and Commercial Space	2026F	2027F	2028F	2029F	Total
Project development cost – retail and commercial space	78.88	157.77	157.77	394.42	788.84
Pre-opening expenses (realized to PL ^{1/})	-	-	-	12.70	12.20
Total (before non-refundable VAT) ^{2/}	78.88	157.77	157.77	407.12	801.54
Non-refundable VAT ^{6/}	2.76	5.52	5.52	13.80	27.61
Total (exclusive of VAT) ^{2/}	81.65	163.29	163.29	420.92	829.15

Remark: 1/ Pre-opening expenses shall be realized to income statement in 2028.

2/ Exclusive of land price and financial cost.

(Unit: Baht million)

Lannatique Bazaar Project – Hotel	2026F	2027F	2028F	2029F	Total
Project development cost - hotel	181.75	454.38	454.38	727.00	1,817.51
Pre-opening expenses (realized to PL ^{1/})	-	-	-	59.40	59.40
Total (exclusive of VAT) ^{2/}	181.75	454.38	454.38	786.40	1,876.91

Remark: 1/ Pre-opening expenses shall be realized to income statement in 2028.

2/ Exclusive of land price and financial cost.

From industry information, project development cost (including cost of land) of shopping malls of Central Pattana Group in the past 5 years were in the range of Baht 20,065 – 59,155 per sq.m. Details are as follows:

Project	Opening Year	Construction Areas (sq.m.)	Project Value ^{1/} (Baht million)	Average Project Cost (Baht/sq.m.)
Central Korat	2017	230,000	4,615	20,065
Central Mahachai	2017	131,250	2,843	21,661
Central Si Racha	2021	71,000	4,200	59,155
Central Chantaburi	2022	64,000	3,500	54,688

Remark: 1/ Including cost of land or leasing fee (up-front fee) but excluding annual rental fee.

Source: Form 56-1 One Report of 2019 – 2021 of Central Pattana Public Company Limited

The development cost of the Lannatique Bazaar Project – Retail and Commercial Space is equal to Baht 55,529 per sq.m. (Baht/GFA) (exclusive of pre-opening expenses), which is in the range of industry.

The development cost of the Lannatique Bazaar Project – Hotel is equal to Baht 71,884 per sq.m. or equivalent to Baht 8.65 million per room (exclusive of pre-opening expenses). From the historical information of the Company, average project development cost is approximately Baht 50,000

^{6/} Commercial rental agreement is normally separated into 2 contracts, which are (1) rental agreement (Non-VAT Business) and (2) service agreement (VAT Business).

For construction of a property project for rent, a property owner shall clearly declare proportion of rental income and service income to the Revenue Department. (The Company has a standard ratio of 50:50 for rental income to service income.)

- Input VAT from construction cost for service income (VAT Business) is allowed to offset against output VAT or entitle to a VAT refund.

- Input VAT from construction cost for rental income (Non-VAT Business) will be considered as project cost and is not entitle to a VAT refund. **The Revenue Department's Order No. Por.90/2542** Re: Value Added Tax and Withholding Tax for Property for Rent stated that "Input VAT from construction of property for rent must be included in direct developing cost of the property project. The property operator cannot offset the input VAT against the output VAT for VAT return calculation."

In the acquisition of an established commercial property project, the Revenue Department will inspect historical ratio of rental income and service income of the project from P.P.30 VAT Return Form submitted to the Revenue Department. Then, the buyer of the property project can offset input VAT against output VAT or refund the input VAT based on ratio of service income of such project.

In this transaction, the IFA assumes that 50% of input VAT (Non-VAT Business) for investment in the Lannatique Bazaar Project – Retail and Commercial Space is considered as project cost according to standard assumption for new projects of the Company. Therefore, 50% of VAT = 788.84 * 50% * 7% VAT = Baht 27.61 million = cost included in project cost.

– 75,000 per sq.m.⁶⁸ In addition, from industry information, construction cost of hotels is approximately Baht 5 – 10 million per room.⁶⁹ However, project development cost of each project will depend on the investment model, project format, design, and luxury level of the project.

- Capital expenditure

The Independent Financial Advisor assumes capital expenditure of 4.00% of total revenue, similar to hotel industrial standard and close to historical information of the Company.

- Assets and liabilities turnover

Based on the Company's policy and industry information as follows:

Trade account receivables	30.00	days on average
Inventory	12.00	days on average
Trade account payables	30.00	days on average
Rental deposits	90.00	days on average

- Summary of financial projection of the Lannatique Bazaar Project – Hotel

(Unit: Baht million)

Lannatique Bazaar Project – Hotel	2029F ^{1/}	2030F	2031F	2032F	2033F	2034F	2035F	2036F – 2043F	2044F ^{1/}
Room revenue	85.97	553.95	641.00	724.76	760.99	787.63	815.20	843.73 – 1,073.46	550.95
F&B revenue	30.95	199.42	224.35	246.42	251.13	252.04	260.86	269.99 – 343.51	176.30
Other revenues	1.55	9.97	11.22	12.32	12.56	12.60	40.76	42.19 – 53.67	27.55
Total revenues	118.46	763.34	876.57	983.49	1,024.68	1,052.27	1,116.82	1,155.91 – 1,470.64	754.80
Total cost of sales and services	(43.69)	(273.98)	(303.67)	(328.39)	(329.24)	(335.21)	(360.81)	(373.43) – (475.11)	(243.85)
Gross profit	74.77	489.36	572.89	655.11	695.43	717.06	756.01	782.47 – 995.52	510.95
EBITDA before asset management fee	38.83	272.77	337.17	410.07	443.49	459.51	489.69	509.51 – 670.34	344.76
EBITDA	(55.02)	237.79	301.80	374.25	407.22	422.77	452.21	471.29 – 627.36	321.68
EBIT	(84.96)	57.15	115.90	182.45	209.26	225.27	282.88	300.28 – 454.93	269.84
Net profit	(92.28)	2.61	65.86	116.56	136.80	156.53	211.77	234.84 – 363.94	215.87

Remark: ^{1/} The project is scheduled for opening in Q4/2029 and will be out of service in Q2/2044 to align with the Lease Agreement.

- Summary of financial projection of the Lannatique Bazaar Project – Retail and Commercial Space

(Unit: Baht million)

Lannatique Bazaar Project – Retail and Commercial Space	2029F ^{1/}	2030F	2031F	2032F	2033F	2034F	2035F	2036F – 2043F	2044F ^{1/}
Rental and service revenue	11.02	70.51	78.66	87.45	96.92	101.77	106.86	112.20 – 142.75	73.87
Total revenue	16.08	102.94	114.84	127.68	141.51	148.58	156.01	163.81 – 208.42	107.86
Cost of services	(4.14)	(24.97)	(26.13)	(28.22)	(30.46)	(31.17)	(31.89)	(32.63) – (38.35)	(19.62)
Gross profit	11.94	77.97	88.71	99.46	111.05	117.42	124.13	131.18 – 170.07	88.23
EBITDA before asset management fee	10.37	68.03	80.62	90.99	102.18	108.31	114.69	121.49 – 158.63	82.38
EBITDA	(18.44)	52.22	64.76	75.07	86.20	92.26	98.44	105.05 – 141.28	72.91
EBIT	(31.68)	(27.33)	(15.48)	(5.93)	4.34	12.34	31.81	38.12 – 76.01	55.35
Net profit	(34.66)	(50.97)	(37.88)	(27.30)	(15.47)	(5.39)	16.41	25.28 – 60.81	44.28

Remark: ^{1/} The project is scheduled for opening in Q4/2029 and will be out of service in Q2/2044 to align with the Lease Agreement.

2.2.3 Lannatique Kalare Project

Lannatique Kalare Project is a mixed-use project comprised of hotel, shopping center, and lifestyle market. The construction will be divided into 3 phases as follows: Phase 1, the construction of the lifestyle market by renovation of Zheng Her House and existing commercial buildings, Phase 2, construction of car park building and shopping center (Mixed use – Podium), and Phase 3, construction of hotel (Mixed use – Tower). The lifestyle market is scheduled to open in Q2/2025, the shopping center and retail commercial space is scheduled to open in Q4/2027, and the hotel will be scheduled to open in Q4/2030.

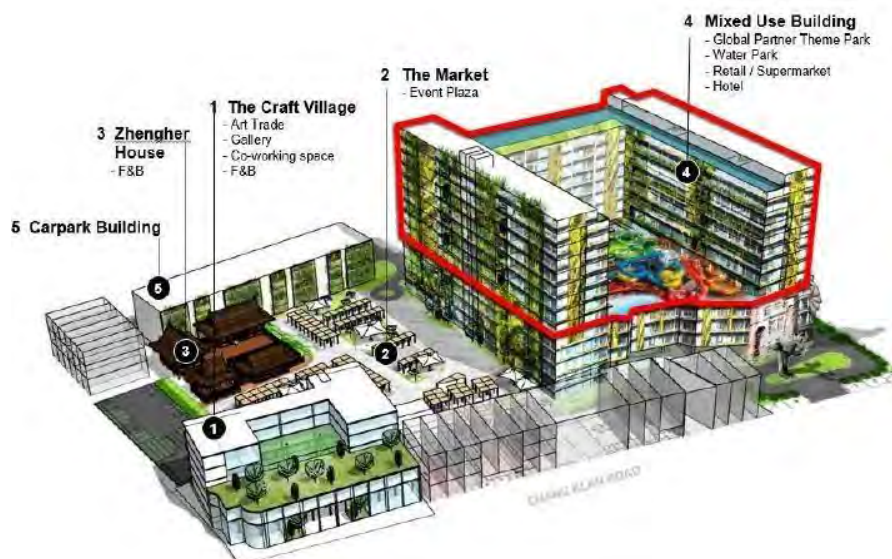
- The hotel will be a full-service luxury hotel on 10-storey building with 168 rooms. It aims to be a family-friendly hotel. The Company will partner with a world-class partner to develop an indoor theme park and water park.
- Shopping center will comprise of retail shops, supermarket, restaurants, and convention hall.

⁶⁸ Reference to the project development cost of Aquatique by the Beach Project (AQT) – Hotel, Woeng Nakhon Kasem Project, The Imperial Golden Triangle Resort Project, Swan Project, and Song Wat Project.

⁶⁹ Please refer to Footnote 53 on page 109.

- The lifestyle market will comprise of retail shops, local restaurants, and a gathering place for modern art and handcrafts from all over the North.

Figure 28: Layout of the Lannatique Kalare Project



The construction and development budget (exclusive of land price) of the Lannatique Kalare Project is approximately Baht 3,260.50 million (inclusive of VAT). Gross Floor Area (GFA) is equal to **72,598** sq.m. with Net Leasable Area (NLA) of **34,952** sq.m. Details of the budget are as follows:

(Unit: sq.m.)

Lannatique Kalare Project	Hotel	Shopping Center	Lifestyle Market	Parking and Others	Total
NLA	14,106	14,276	6,570	-	34,952
GFA	21,588	39,426		11,584	72,598

(Unit: Baht million)

Lannatique Kalare Project	Project Development Budget ^{1/}			
	Hotel	Shopping Center	Lifestyle Market	Total
Construction and development costs	1,448.42	1,270.53	479.49	3,198.44
Pre-opening expenses	33.60	20.67	7.80	62.07
Total (exclusive of VAT)	1,482.02	1,291.20	487.29	3,260.50
Total (inclusive of VAT)	1,585.76	1,381.58	521.40	3,488.74

Remark: 1/ Exclusive of land price and financial cost.

Please refer to Hotel Industry and Retail Property Outlook in Attachment 5 of this report.
Key assumptions used in financial projection are as follows:

2.2.3.1 Lannatique Kalare Project – Lifestyle Market

The projection period is 2024 – 2053, during which the construction shall commence in 2024 and revenue recognition shall begin in Q2/2025.

- Revenue from the lifestyle market

Total revenue consists of rental and services revenue and other revenues (other revenues consist of event revenue, utilities revenue, parking revenue, media and marketing revenue, and other rental and services revenue).

Total net leasable area is around 6,570 sq.m. and the project is scheduled to open in Q2/2025. The estimated tenant mix is as follows:

	Type of Tenants	Estimated Area (sq.m.)	Percentage
1	Anchor	2,541.00	38.21%
3	Retail shops	4,029.00	61.32%
	Total NLA	6,570.00	100.00%

Key assumptions are as follows:

Description	Assumption	Remark
Opening date	Q2/2025	
Net Leasable Area (NLA)	6,570 sq.m.	
Rental and services revenue		
Average rent rate (ARR)	Year 2025: Baht 1,150.00 per sq.m. Year 2026 - 2031: increase by 5% p.a. Year 2032 onwards: increase by 3.3% p.a.	<ul style="list-style-type: none"> - The rent rate is based on market price of rent for each type of store, which has a weighted average value based on the Tenant Mix of the project, including the location of the project which is located in the city center. Most of the NLA (approximately 60% - 65% of total NLA) is for the retail shops, small shops, and kiosk, of which rent rate is generally high and for short-term period. Such rent rate is in the range of Baht 150 - 250 per shop per day (room size of approximately 4 sq.m., equivalent to monthly rate of approximately Baht 1,125 - 1,500 per sq.m. per month). - The IFA rechecked that the average rent rate of Central Chiangmai Airport was approximately Baht 1,500 per sq.m. in 2019 and Baht 1,000 per sq.m. in 2022. (Source: Form 56-1 One Report of CPN Retail Growth Leasehold REIT for 2019 - 2022) - In addition, from information provided by the Company, the average rent rate of Maya Lifestyle Shopping Center Chiang Mai was Baht 967 per sq.m. per month while the average rent rate of Central Festival Chiang Mai was Baht 999 per sq.m. per month. - The IFA assumes the average growth of rent rate of 3.3% p.a., according to the average growth of rent rate of industry.⁷⁰
Occupancy rate	Year 2025: 75.00% Year 2026: 80.00% Year 2027: 85.00% Year 2028: 90.00% Year 2029 onwards: 95.00%	<ul style="list-style-type: none"> - The average occupancy rate of CPN in the past 5 years before COVID-19 pandemic (2015 - 2019) was 93.20%, while the average occupancy rate in 2022 was 90.00%. (Source: Form 56-1 One Report of Central Pattana Public Company Limited for 2015 - 2022) - Besides, the average occupancy rate of Central Chiangmai Airport in 2019 was at 96.7% while the average occupancy rate in 2022 was at 96.4%, close to that of 2019. - However, Lannatique Kalare Project - Lifestyle Market will locate in good location, in city center of Chiang Mai, and surrounded by many projects of the Company. This location will be a new landmark of Chiang Mai. Therefore, the occupancy rate of the lifestyle market should be high according to the Company's business plan and forecast.
Other revenues^{1/}		
Other revenues ratio	39.50% of rental and services revenue, comprised of (1) rental revenue of promotion area and utility revenue of 21.20% of rental and services revenue, and (2) other revenues of 18.30% of rental and services revenue.	<ul style="list-style-type: none"> - Average ratio of other revenues of 7 other retail and commercial projects of the Company⁷¹ in 2019 was at 47.45% of rental and services revenue. Ratio of other revenues of each project depends on concept of the project, location, and marketing plan such as promotion area and event, parking service income.

Remark:

1/ Other incomes consist of utilities income and parking income, while media and marketing income and other rental and services incomes will depend on type of property.

▪ Cost and expenses – Lifestyle Market

Operating expenses consist of direct operating expenses, land rental fee, land and building tax expense, marketing expenses, and administrative expenses. Significant assumptions are as follows:

Description	Assumption	Remark
Cost of sales and services^{1/}		
Employee expenses	Year 2025: 10.00% of total revenue Year 2026: 9.00% of total revenue Year 2027: 8.00% of total revenue Year 2028 onwards: increase by 3.00% p.a.	<ul style="list-style-type: none"> - Ratio of employee expense of the Company's retail and commercial property in 2019 was in the range of 5.33% - 12.15% of total revenue (average ratio of employee expenses was 7.87% of total revenue).
Utility expenses	Year 2025: 10.00% of total revenue Year 2026: 9.00% of total revenue Year 2027 - 2030: 8.50% of total revenue	<ul style="list-style-type: none"> - Ratio of utility expenses of Asiatique Project and Tawanna 1 Project in 2019 was in the range of 7.15% - 8.84% of total revenue.

⁷⁰ Please refer to Footnote 65 on page 134.

⁷¹ Other retail and commercial projects of the Company are Gateway Ekamai Project, Pantip Plaza Pratunam Project, Pantip Plaza Ngamwongwan Project, Asiatique The Riverfront Project, Lasalle 1 Project, Gateway Bangsue Project, and Tawanna 1 Project.

Description	Assumption	Remark
Cost of sales and services ^{1/}		
	Year 2031 onwards: increase by 2.00% p.a. ^{2/}	- The lifestyle market will be more like open malls. Thus, ratio of utility expenses of open malls will be lower than that of closed malls.
Other expenses	Year 2025 : 6.00% of total revenue Year 2026 : 5.50% of total revenue Year 2027 : 4.50% of total revenue Year 2028 onwards: increase by 2.00% p.a. ^{2/}	- Other expenses such as repair and maintenance expenses, security expenses, cleaning expenses, parking management fee, insurance premium, and others. - Ratio of other expenses of Asiatique Project and Tawanna 1 Project in 2019 was in the range of 4.5% – 5.7% of total revenue.
Land and building taxes	Year 2025 – 2053 : 0.83% – 1.47% of total revenue	- The average ratio of land and building tax of other retail and commercial property projects of the Company in 2019 was in the range of 0.5% – 6.1% of total revenue. - Land and building tax expenses of the Lannatique Kalare Project is calculated by referring to the appraisal price of land announced by the Treasury Department and the current land and building tax rates. In addition, the IFA allocates land and building tax expenses to each project based on revenue ratios.
Selling and administrative expenses		
Selling and administrative expenses	Year 2025 - 2026 : 8.50% of total revenue Year 2027 : 6.50% of total revenue Year 2028 onwards: administrative expenses increase by 2.00% p.a. and marketing expenses is equal to 3.00% of total revenue	- The average ratio of selling and administrative expenses of other retail commercial property projects of the Company was in the range of 1.1% - 18.5% of total revenue (average of 7% of total revenue).
Asset management fee ⁷²		
Asset management fee	Asset management fee is assumed at 1.50% of asset value (calculated from acquisition price of land, investment in the project, and annual capital expenditure (CapEx)), which is based on the Company's policy.	

Remark:

1/ Cost of sales and services comprises of employee expenses, utility expenses, repair and maintenance expenses, insurance premium, security expenses, cleaning expenses, and other direct costs.

2/ Reference to the average 20-year historical growth rate of Consumer Price Index (2005 – 1M/2024) of 2.00% p.a.

2.2.3.2 Lannatique Kalare Project – Shopping Center

Projection period is 2025 – 2053, during which the construction shall commence in 2025 and revenue recognition shall begin in Q4/2027.

- Revenue from shopping center

Total revenue consists of rental and services revenue and other revenues (other revenues consist of event revenue, utilities revenue, parking revenue, media and marketing revenue, and other rental and services revenues).

Total net leasable area of the shopping center is 14,276 sq.m. and the project is scheduled to open in Q4/2027. The shopping center will comprise of retail shops (approximately 60% of NLA) and space for events, exhibitions, and concerts (approximately 40% of NLA).

Key assumptions are as follows:

Description	Assumption	Remark
Opening date	Q4/2027	
Net Leasable Area (NLA)	14,276 sq.m.	
Rental and services revenue		
Average rent rate (ARR)	Year 2027 : Baht 1,090.00 per sq.m. Year 2028 - 2033 : increase by 5.00% p.a. Year 2034 onwards: increase by 3.30% p.a.	- The rent rate is based on market price of rent for each type of store, which has a weighted average value based on the Tenant Mix of the project. - The IFA rechecked that the average rent rate of Central Chiangmai Airport was approximately Baht 1,500 per sq.m. in 2019 and Baht 1,000 per sq.m. in 2022. (Source: Form 56-1 One Report of CPN Retail Growth Leasehold REIT for 2019 – 2022) - In addition, from information provided by the Company, the average rent rate of Maya Lifestyle Shopping Center Chiang Mai was Baht 967 per sq.m. per month and the average rent rate of Central Festival Chiang Mai was Baht 999 per sq.m. per month.

⁷² Asset management fee is recorded in income statement for the purpose of tax calculation but such amount is added back when calculate cash flow of the project.

Description	Assumption	Remark
		- The IFA assumes the average growth of rent rate of 3.3% p.a., according to the average growth of rent rate of industry. ⁷³
Occupancy rate	Year 2027 : 75.00% Year 2028 : 80.00% Year 2029 : 85.00% Year 2030 : 90.00% Year 2031 onwards: 95.00%	- The average occupancy rate of CPN in the past 5 years before COVID-19 pandemic (2015 – 2019) was 93.20%, while the average occupancy rate in 2022 was 90.00%. (Source: Form 56-1 One Report of Central Pattana Public Company Limited for 2015 – 2022) - Besides, the IFA rechecked that the average occupancy rate of Central Chiangmai Airport in 2019 was 96.7% while the average occupancy rate in 2022 was 96.4%, close to that of 2019.
Other revenues^{1/}		
Other revenues ratio	49.75% of rental and services revenue, Comprised of (1) rental of promotion areas and utility revenue of 27.75% of rental and services revenue, and (2) other revenues of 22.00% of rental and services revenue	- The average ratio of other revenues of other retail and commercial projects of the Company in 2019 was 47.48% of rental and services revenue. Ratio of other revenues of each project depends on concept of the project, location, and marketing plan such as promotion area and event, and parking service income.

Remark:

1/ Other revenues consist of utilities revenue and parking revenue, while media and marketing revenue and other rental and services revenues will depend on type of property.

▪ Cost and expenses – shopping center

Operating expenses consist of direct operating expenses, land rental fee, land and building tax expense, marketing expenses, and administrative expenses. Significant assumption are as follows:

Description	Assumption	Remark
Cost of sales and services		
Employee expenses	Year 2027 : 10.00% of total revenue Year 2028 : 9.00% of total revenue Year 2029 : 8.00% of total revenue Year 2030 onwards: increase by 3.00% p.a.	- Ratio of employee expenses of retail and commercial projects of the Company in 2019 was in the range of 5.33% - 12.15% of total revenue (average ratio of employee expenses was 7.87% of total revenue).
Utility expenses	Year 2027 : 15.00% of total revenue Year 2028 : 14.50% of total revenue Year 2029 - 2031 : 14.00% of total revenue Year 2032 onwards: increase by 2.00% p.a. ^{2/}	- Ratio of utility expenses of Gateway Ekamai Project, Pantip Plaza Pratunam Project, and Pantip Plaza Ngamwongwan Project in 2019 was in the range of 12.0% - 17.0% of total revenue (average ratio of utility expenses was 13.7% of total revenue).
Other expenses	Year 2027 - 2029 : 5.00% of total revenue Year 2030 onwards: increase by 2.00% p.a. ^{2/}	- Other expenses such as repair and maintenance expenses, security expenses, cleaning expenses, parking management fee, insurance premium, and others. - Ratio of other expenses of retail and commercial projects of the Company in 2019 was in the range of 4.5% – 5.7% of total revenue.
Land and building tax	Year 2025 – 2033 : 0.77% – 1.39% of total revenue	- The average ratio of land and building tax of retail and commercial projects of the Company in 2019 was in the range of 0.5% – 6.1% of total revenue. - Land and building tax expenses of the Lannatique Kalare Project is calculated by reference to the appraisal price of land announced by the Treasury Department and the current land and property tax rates. In addition, the IFA allocates land and property tax expenses to each project based on revenue ratios.
Selling and administrative expenses		
Selling and administrative expenses	Year 2027 - 2028 : 8.00% of total revenue Year 2029 : 6.50% of total revenue Year 2030 onwards: administrative expenses increase by 2.00% p.a. and marketing expenses is equal to 3.00% of total revenue	- The average ratio of selling and administrative expenses of other retail and commercial projects of the Company was in the range of 1.1% - 18.5% of total revenue (average of 7% of total revenue).
Asset management fee⁷⁴		
Asset management fee	Asset management fee is assumed at 1.50% of asset value (calculated from acquisition price of land, investment in the project, and annual capital expenditure (CapEx)), which is based on the Company's policy.	

⁷³ Please refer to Footnote 65 on page 134.

⁷⁴ Asset management fee is recorded in income statement for the purpose of tax calculation but such amount is added back when calculate cash flow of the project.

Remark:

- 1/ Cost of sales and services comprise of employee expenses, utility expenses, repair and maintenance expenses, insurance premium, security expenses, cleaning expenses and other direct costs.
- 2/ Reference to the average 20-year historical growth rate of Consumer Price Index (2005 – 1M/2024) of 2.00% p.a.

2.2.3.3 Lannatique Kalare Project – Hotel

Projection period is 2027 – 2053, during which the construction shall commence in 2027 and revenue recognition shall begin in Q4/2030.

- Revenue from hotel business

Revenue from hotel business comprises of room revenue, food and beverage revenue, and other revenues.

Key assumptions are as follows:

Description	Assumption	Remark
Opening date	Q4/2030	
No. of guest rooms	168 keys	
Room revenue		
Average room rate (ARR)	Year 2030 - 2031: Baht 6,800 ^{1/} Year 2032: increase by 8% p.a. Year 2033: increase by 6% p.a. Year 2034: increase by 5% p.a. Year 2035 onwards: increase by 3.5% p.a.	<ul style="list-style-type: none"> - ARR growth in the early period is normally higher than industry average as the new hotels are more attractive than the old ones, resulting in higher room rate than normal. - Long-term growth rate is assumed at 3.50% p.a., which is lower than the compound annual growth rate (CAGR) of average room rate of accommodation in the North of Thailand in 2016 – 2023 of 4.75% p.a. and based on conservative basis. <i>(Reference to the average room rate of accommodation from the Bank of Thailand)</i> <p style="text-align: center;">Average Room Rate of Hotels in Northern</p> <p style="text-align: center;">Source: Data from the Bank of Thailand</p>
Occupancy rate	Year 2030: 65.00% Year 2031: 70.00% Year 2032: 75.00% Year 2033 onwards: 80.00%	<ul style="list-style-type: none"> - The Company bases the projection of occupancy rate growth on historical information, together with the estimation of occupancy rate by the hotel operator. - The average occupancy rate of hotels in Chiang Mai⁷⁵ was in the range of 69.87% - 76.02% in 2016 – 2019 and 72.78% in January – November 2023. <i>(Please refer to Figure 41 in Attachment 5 of this report)</i> - In addition, the occupancy rate of Le Meridien Chiang Mai was 80.30% in 2019 (Pre COVID-19) and 33.40% in 2023, while the occupancy rate of Hotel Melia Chiang Mai was 64.00% in 2023 (Hotel Melia Chiang Mai commenced its business operation in 2023).
Food and beverage revenue		
Food and beverage revenue ratio	Year 2030 - 2031: 45.00% of room revenue Year 2032: 44.50% of room revenue Year 2033: 44.00% of room revenue Year 2034: 43.50% of room revenue Year 2035 onwards: 43.00% of room revenue	<ul style="list-style-type: none"> - Lannatique Kalare Project will have total restaurant area and meeting room area of 408 sq.m. Besides, the project will have water park area of approximately 3,417 sq.m., which should help increase food and beverage revenue. - According to the historical performance of MICE hotels of the Company, ratio of food and beverage revenue ratio was in the range of 57.38% - 108.51% of room revenue in 2019. The ratio of food and beverage revenue of the Lannatique Kalare Project is close to that of Hotel Melia Chiang Mai in 2023, which was approximately 43% of room revenue.
Other revenues^{2/}		
Other revenues ratio	Year 2030 - 2031: 12.00% of room revenue Year 2032: 11.50% of room revenue	<ul style="list-style-type: none"> - Lannatique Kalare Project will have a spa area of 609 sq.m. and water park/theme park area of 3,417 sq.m., which should increase other revenues of the project.

⁷⁵ Comprises of hotels, guesthouses, resorts, and others.

Description	Assumption	Remark
	Year 2033 : 11.25% of room revenue Year 2034 : 11.00% of room revenue Year 2035 onwards: 10.50% of room revenue	

Remark:

- 1/ The Company estimated the average room rate in the first year (2028) of Baht 6,800 per night, which is the price in the next 6 years. The price is also based on tentative hotel brand, room size (average room size of 57.6 sq.m.), and facilities.

	Hotel	Location	No. of Room (Keys)	Room Area (sq.m.)	Meeting Room Area (sq.m.)	Average Room Rate – Deluxe Room ^{a/} (Baht/night)
1	Movenpick Suriwongse Hotel Chiang Mai	Chang Khlan Rd.	262	30 – 45, 60	513	8,100 ^{b/} /8,500
2	U Nimman Chiang Mai	Nimmanhaemin Rd.	147	36 – 50, 67 - 134	1,000	6,110
3	Rachamankha Hotel	Suan Dok Gate	25	32 – 40, 100	-	8,806
4	Hotel Melia Chiang Mai	Charoen Prathet Rd.	260	30 – 62, 113	1,282	5,984 ^{b/} /6,657
5	Chiang Mai Marriot Hotel	Chang Khlan Rd.	383	36 – 76	1,741	6,600 ^{b/} /7,500
6	InterContinental Chiang Mai	Sridonchai Rd.	240 (Phase 1)	30 – 43, 114 – 165	1,596	9,858.5 ^{b/} /10,764
	Lannatique Kalare Project	Chang Khlan Rd.	168	57.6	2,004	n.a.

Source: www.booking .com and www.agoda.com (information as of January 14, 2024)

Remark: In general, room rate depends on location, room size, luxury level and amenities, season, and novelty.

- a/ Room rate for smallest size room for 2 person inclusive of breakfast but exclusive of VAT and fee (rate for January 19 – 22, 2024).
- b/ Room rate for smallest size room for 2 person exclusive of breakfast, VAT, and fee (rate for January 19 – 22, 2024).
- 2/ Other revenues are revenue from services of other departments such as spa revenue, parking revenue, laundry revenue, telephone charge, revenue from convenience/souvenir shops, and other revenues.

▪ Cost and expenses - Hotel

Key assumptions are as follows:

Description	Assumption	Remark
Cost of sales and services		
Cost of room services ^{1/}	Year 2030 : 23.00% of room revenue Year 2031 : 22.00% of room revenue Year 2032 : 21.00% of room revenue Year 2033 : 20.50% of room revenue Year 2034 onwards: 20.00% of room revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of room services in 2019 was in the range of 17.00% - 24.00% of room revenue. - Ratio of cost of room services of Le Meridien Chiang Mai and of Hotel Melia Chiang Mai in 2023 was 21.00% of room revenue.
Cost of food and beverage ^{2/}	Year 2029 : 75.00% of F&B revenue Year 2030 : 73.00% of F&B revenue Year 2031 : 71.00% of F&B revenue Year 2032 : 69.00% of F&B revenue Year 2033 onwards: 67.00% of F&B revenue	- According to the historical data of 7hotels of the Company in Bangkok, the average ratio of cost of food and beverage in 2019 was in the range of 54.00% - 83.00% of food and beverage revenue. - Ratios of cost of food and beverage of Le Meridien Chiang Mai and Hotel Melia Chiang Mai in 2023 were 113.00% and 74.00% of food and beverage revenue, respectively, which is relatively high due to the low occupancy rate of such hotels as Chiang Mai tourism has not fully recovered.
Cost of services of other departments ^{3/}	Year 2030 onwards: 50.00% of other revenues	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of services of other departments in 2019 was in the range of 31.00% - 60.00% of other revenues, while ratios of cost of services of other departments of Le Meridien Chiang Mai and Hotel Melia Chiang Mai in 2023 were 72.00% and 54.00% of other revenues, respectively.
Selling and administrative expenses		
Overhead department expenses ^{4/}	Year 2030 : 28.00% of total revenue Year 2031 : 26.00% of total revenue Year 2032 : 24.00% of total revenue Year 2033 : 22.00% of total revenue Year 2034 onwards: overhead department expenses (excluding marketing expense) increase by 2.00% p.a. and marketing expense is equal to 4.00% of total revenues	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of overhead department expenses in 2019 was in the range of 21.00% - 27.00% of total revenue. - Ratios of overhead department expenses of Le Meridien Chiang Mai and Hotel Melia Chiang Mai were 44.00% and 27.00% of total revenue in 2023, respectively. Ratio of overhead department expenses of such hotels were high due to the low occupancy rates when comparing to pre COVID-19 period.
Land and building tax, insurance premium, and other expenses	Year 2029 – 2053: 1.66% – 2.20% of total revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of land and building tax, insurance premium, and other expenses in 2019 was in the range of 0.64% - 2.09% of total revenue.

Description	Assumption	Remark
		- Ratios of land and building tax, insurance premium, and other expenses of Le Meridien Chiang Mai and Hotel Melia Chiang Mai in 2023 were 5.70% and 1.90% of total revenue, respectively. Such ratios are relatively high due to the low occupancy rate.
Hotel management fee	Base management fee and incentive management fee are assumed at the rate as agreed with the hotel management chain.	
Asset management fee ⁷⁶		
Asset management fee	Asset management fee is assumed at 1.50% of asset value (calculated from acquisition price of land, investment in the Project, and annual capital expenditure (CapEx)), which is based on the Company's policy.	

Remark:

- 1/ Cost of room services consists mainly of employee expenses, utilities expenses, and other expenses such as laundry expenses, cleaning expenses, and room amenities expenses.
- 2/ Cost of food and beverage consists mainly of food and beverages expenses, employee expenses, utilities expenses, and other expenses.
- 3/ Cost of services of other departments mainly consists of cost of spa service, laundry, telephone charge, convenience/souvenir shops, and other costs. Cost of service of each department comprises of direct service costs, employee expenses, and other expenses.
- 4/ Overhead department expenses consist of management fee, repair & maintenance and utilities expenses, IT expenses, utilities expenses, and marketing expenses.

Most cost and expense estimates are based on estimation of operating performance presented by hotel operator and/or estimates based on historical performance of the Company. The Independent Financial Advisor has reviewed the accuracy of cost and expense estimates by comparing with the operating performance of other hotels of the Company that are similar or in the same area. It was found that the estimated ratio of cost and expenses is viable under the Company's management.

In addition, cost expenses in the early stage will be higher than the period when the hotel has stable operating performance because revenue and occupancy rate will gradually increase while some fixed costs, such as employee salaries and benefits, utilities expense, security expense, cleaning expense, and repair and maintenance cost, do not increase in proportion to the increase in income.

- Financial cost

The Company assumes ratio of loan to shareholders' equity of the project at 60:40, based on target debt to equity ratio of the Group of Company, with interest rate on loan of 5.00% p.a. (the Company estimated interest rate on long-term loan of 4.20% p.a., which is the rate after interest rate swap from floating to fixed rate, according to the current interest rate on loan of the Company). However, the IFA assumes cost of debt of 5.00% p.a. in 2024 – 2028, based on the additional payments to be paid to the Sellers of Ordinary Shares for delay of payment, and 4.20% p.a. from 2030 onwards.

- Corporate income tax

The IFA assumed corporate income tax rate of **20%** throughout the projection period.

- Project development cost

Project development cost of the Lannatique Kalare Project is estimated at Baht **3,260.50** million (exclusive of VAT). The project development cost shall be gradually invested during 2024 - 2030. Summary of cash outflow for project development is as follows:

(Unit: Baht million)

Lannatique Kalare Project	2024F	2025F	2026F	2027F	2028F	2029F	2030F	Total
Project development cost								
Lifestyle market	311.67	167.82	-	-	-	-	-	479.49
Shopping center	-	317.63	381.16	571.74	-	-	-	1,270.53
Hotel	-	-	-	144.84	289.68	362.10	651.79	1,448.42
Total project development costs	311.67	485.45	381.16	716.58	289.68	362.10	651.79	3,198.44
Pre-opening expenses (realized to PL ^{1/})	-	7.80	-	20.67	-	-	33.60	62.07
Total project cost before non-refundable VAT ^{2/}	311.67	493.25	381.16	737.25	289.68	362.10	685.39	3,260.50

⁷⁶ Asset management fee is recorded in income statement for the purpose of tax calculation but such amount is added back when calculate cash flow of the project.

Lannatique Kalare Project	2024F	2025F	2026F	2027F	2028F	2029F	2030F	Total
Non-refundable VAT ⁷⁷	10.91	16.99	13.34	20.01	-	-	-	61.25
Total (exclusive of VAT) ^{2/}	322.58	510.24	394.50	757.26	289.68	362.10	685.39	3,321.75

Remark: 1/ Pre-opening expenses shall be realized to income statement in the opening year of each part.

2/ Exclusive of land price and financial cost.

From industry information, project development cost (including cost of land) of shopping malls in provincial area of Central Pattana Group in the past 5 years was in the range of Baht 20,065 – 59,155 per sq.m. Details are as follows:

Project	Opening Year	Construction Area (sq.m.)	Project Value ^{1/} (Baht million)	Average Project Cost (Baht/sq.m.)
Central Korat	2017	230,000	4,615	20,065
Central Mahachai	2017	131,250	2,843	21,661
Central Si Racha	2021	71,000	4,200	59,155
Central Chantaburi	2022	64,000	3,500	54,688

Remark: 1/ Cost of land or leasehold rights, but excluding annual rental fees.

Source: Form 56-1 One Report for 2019 – 2021 of Central Pattana Public Company Limited

The average development cost of the Lannatique Kalare Project - Lifestyle Market and Shopping Center is equal to Baht 48,267 per sq.m. (exclusive of parking space and pre-opening expenses), which is in the range of industry.

The average development cost of the Lannatique Kalare Project – Hotel is equal to Baht 73,455 per sq.m. or equivalent to Baht 8.62 million per room (exclusive of pre-opening expenses). From the historical information of the Company, average project development cost is approximately Baht 50,000 – 75,000 per sq.m.⁷⁸ In addition, from industry information, construction cost of hotels is approximately Baht 5 – 10 million per room.⁷⁹ However, project development cost of each project will depend on the investment model, project format, design, and luxury level of the project.

- Capital expenditure

The Independent Financial Advisor assumes capital expenditure of 4.00% of total revenue, similar to hotel industrial standard and close to historical information of the Company.

- Assets and liabilities turnover

Based on the Company's policy and industry information as follows:

Trade account receivables - hotel	30.00	days on average
Trade account receivables – retail space	15.00	days on average
Inventory	12.00	days on average
Trade account payables	30.00	days on average
Rental deposits	90.00	days on average

- Summary of financial projection of the Lannatique Kalare Project

(Unit: Baht million)

Lannatique Kalare Project	2025F ^{1/}	2026F	2027F ^{2/}	2028F	2029F	2030F ^{3/}	2031F	2032F	2033F	2034F	2035F – 2053F
Total revenue – lifestyle market	55.33	106.24	118.53	131.77	146.05	153.35	161.02	166.66	172.49	178.53	184.77 – 343.21
Total revenue – shopping center	-	-	52.43	234.89	262.04	291.33	322.89	339.04	355.99	368.45	381.35 – 708.34
Total revenue – hotel	-	-	-	-	-	68.13	438.99	505.33	568.82	599.04	612.20 – 1,183.30
Total revenue	55.33	106.24	170.96	366.66	408.09	512.81	922.91	1,011.03	1,097.29	1,146.01	1,178.32 – 2,234.86
EBITDA before asset management fee – lifestyle market	0.00	0.00	0.00	0.00	0.00	19.08	135.33	173.32	212.69	232.39	239.55 – 511.43
EBITDA before asset management fee – shopping center	0.00	0.00	33.99	154.73	182.17	205.63	230.65	244.51	259.11	269.31	279.56 – 551.31

⁷⁷ Please refer to Footnote 67 on page 136.

Therefore, 50% of VAT = (479.49 + 1,270.53) * 50% * 7% VAT = Baht 61.25 million = cost included in project cost.

⁷⁸ Reference to the project development cost of Aquatique by the Beach Project (AQT) – Hotel, Woeng Nakhon Kasem Project, The Imperial Golden Triangle Resort Project, Swan Project, and Song Wat Project.

⁷⁹ Please refer to Footnote 52 on page 108.

Lannatique Kalare Project	2025F ^{1/}	2026F	2027F ^{2/}	2028F	2029F	2030F ^{3/}	2031F	2032F	2033F	2034F	2035F – 2053F
EBITDA before asset management fee – hotel	38.61	75.90	89.21	100.56	112.81	119.25	125.88	130.67	135.63	140.77	145.95 – 282.14
Total EBITDA before asset management fee	38.61	75.90	123.21	255.29	294.98	343.96	491.86	548.50	607.43	642.48	665.06 – 1,344.88
EBITDA	16.49	61.52	49.67	202.26	241.76	214.78	395.81	451.91	510.26	544.70	566.67 – 1,230.33
EBIT	0.75	34.15	3.67	101.26	138.32	100.78	212.83	269.45	342.01	370.83	393.47 – 1,132.17
Net profit	(10.27)	12.10	(31.77)	20.36	58.75	12.94	59.88	120.66	195.73	234.03	268.12 – 905.73

Remark: 1/ Lifestyle market is scheduled for opening in Q2/2025.

2/ Shopping center is scheduled for opening in Q4/2027.

3/ Hotel is scheduled for opening in Q4/2030.

2.2.4 The Lannatique Destination Project (2.2.1 + 2.2.2 + 2.2.3)

Terminal value growth

The Independent Financial Advisor assumes terminal value growth rate of 1.00% or approximately half of estimated inflation rate based on conservative basis (excluding Lannatique Bazaar Project which shall be ended in 2044 and there is no cash flow after the projection period to align with the term of Lease Agreement⁸⁰).

Discount rate

The Independent Financial Advisor employs the weighted average cost of capital (WACC), which is derived from the weighted average of cost of debt (Kd) and cost of equity (Ke), as a discount rate to calculate present value of free cash flow from the project based on the following formula:

$$WACC = Ke * E/(D+E) + Kd * (1-T) * D/(D+E)$$

where Ke = **Cost of equity or shareholders' required rate of return (Re)**

Kd = Cost of debt or interest rate on loan of the project

T = Corporate income tax rate

E = Total **shareholders' equity**

D = Interest-bearing debt

Cost of equity (Ke) or the required rate of return for shareholders (Re) is derived from the Capital Asset Pricing Model (CAPM) as follows:

$$Ke \text{ (or Re)} = Rf + \beta (Rm - Rf)$$

Where:

Risk Free Rate (Rf) = 3.34% p.a., based on 30-year government bond yield (information as of February 15, 2024), which is the longest Thai government bond regularly issued and offered in the market under the assumption that the Company is on a going concern basis

Beta (β) = 0.69 - 1.42 times, based on the Unlevered Beta of the Company (360 trading days historical average up to February 15, 2024) and adjusted with estimated interest-bearing debt to equity ratio of the project
(Beta of the Lannatique Destination Project is equal to 1.18 – 1.42 times in 2024 – 2028, 1.32 – 1.10 times in 2029 – 2033, 1.00 – 0.73 time in 2034 – 2038, and 0.69 time in 2039 – 2053)

Market Risk (R_m) = 10.17% p.a., which is the 31-year average of annual return from investment in the SET from 1992 – 2023 (period of the enforcement of Securities and Exchange Act B.E. 2535) as it is the most suitable period to reflect average return from the SET

K_d = Estimated cost of debt of the project is equal to 5.00% p.a. in 2024 – 2028, based on the additional payments to be paid to the Sellers of Ordinary Shares for delay of payment and on conservative basis, and 4.20% p.a. from 2029 onwards, based on the estimated interest rate on long-term loan of the Company, which is slightly higher than the current average borrowing cost of the Company

D/E Ratio = **0 – 1.34** times, which is the target D/E ratio of the project in the future

⁸⁰ According to the Lease Agreement dated June 26, 2014, term of the Lease Agreement is 30 years from July 1, 2014 to June 30, 2044.

T = Estimated corporate income tax rate of 20% p.a.

From the aforementioned assumptions, WACC is equal to 7.54% – 8.03% p.a. (average of 7.90% p.a.).

Summary of operating cash flows of the Lannatique Destination Project is as follows:

(Unit: Baht million)

Lannatique Destination Project	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F
EBITDA excluding asset management Fee ^{1/}	(1.13)	28.57	73.65	76.69	396.79	506.78	936.97	1,241.73	1,401.43	1,519.95
Corporate income tax	0.00	(0.15)	(6.83)	(9.34)	(11.65)	(39.57)	(58.39)	(89.23)	(116.26)	(149.07)
Working capital	0.00	(9.20)	806.08	(658.93)	(247.34)	(62.10)	17.34	(56.12)	48.53	(30.07)
Capital Expenditures ^{2/}	(322.58)	(997.47)	(1,055.78)	(2,148.77)	(1,235.12)	(1,542.13)	(725.91)	(97.38)	(105.16)	(111.31)
Free cash flow of the project	(323.70)	(978.26)	(182.88)	(2,740.36)	(1,097.32)	(1,137.02)	170.00	999.00	1,228.54	1,229.50
PV of FCF	(307.70)	(861.98)	(149.43)	(2,075.73)	(770.47)	(753.13)	104.71	571.36	651.15	605.41

(Unit: Baht million)

Lannatique Destination Project	2034F	2035F	2036F	2037F	2038F	2039F	2040F	2041F	2042F	2043F
EBITDA excluding asset management Fee ^{1/}	1,592.69	1,667.46	1,747.90	1,818.61	1,891.98	1,966.70	2,045.22	2,126.68	2,211.65	2,298.30
Corporate income tax	(166.10)	(184.90)	(203.95)	(223.81)	(239.46)	(253.72)	(270.14)	(286.44)	(301.99)	(317.84)
Working capital	66.19	(178.37)	(7.13)	(2.71)	(5.68)	(5.89)	(6.10)	(6.32)	(6.56)	(6.79)
Capital Expenditures ^{2/}	(115.43)	(120.06)	(125.36)	(129.75)	(134.29)	(138.99)	(143.85)	(148.89)	(154.10)	(159.49)
Free cash flow of the project	1,377.35	1,184.13	1,411.46	1,462.35	1,512.56	1,568.10	1,625.13	1,685.04	1,749.00	1,814.18
PV of FCF	624.32	498.09	542.57	517.32	495.58	468.25	449.20	430.52	413.65	397.17

(Unit: Baht million)

Lannatique Destination Project	2044F	2045F	2046F	2047F	2048F	2049F	2050F	2051F	2052F	2053F
EBITDA excluding asset management Fee ^{1/}	1,955.16 ^{3/}	1,592.51 ^{3/}	1,656.43	1,720.61	1,788.53	1,858.97	1,932.02	2,006.38	2,084.95	2,166.43
Corporate income tax	(287.37)	(234.72)	(247.15)	(260.30)	(284.52)	(298.83)	(313.24)	(332.20)	(346.53)	(361.39)
Working capital	39.01	(3.92)	(4.06)	(4.21)	(4.36)	(4.52)	(4.68)	(4.85)	(5.03)	(5.21)
Capital Expenditures ^{2/}	(138.82)	(116.89)	(120.98)	(125.22)	(129.60)	(134.14)	(138.83)	(143.69)	(148.72)	(153.92)
Free cash flow of the project	1,567.98	1,236.98	1,284.23	1,330.88	1,370.05	1,421.48	1,475.27	1,525.64	1,584.68	1,645.90
PV of FCF	317.75	232.04	223.00	213.92	203.85	195.78	188.09	180.05	173.12	166.44

Remark: 1/ Add back asset management fee paid to the Company.

2/ Exclusive of the acquisition price of land and constructions for development of the project.

3/ EBITDA will decrease due to term of Lease Agreement for the Lannatique Bazaar Project shall be ended in Q2/2044. Therefore, the Lannatique Bazaar Project shall not generate revenue after Q2/2044.

(Unit: Baht million)

Lannatique Destination Project	Base Case
Present value of cash flow in year 1 - 30	3,944.89
Present value of terminal value	2,391.22
Present value of cash flow of the project	6,336.11
Less: Acquisition price of ordinary shares of PCC, PS2, and KCC	(3,448.00) ^{1/}
Less: Acquisition price of duditD2 Chiang Mai	(565.00) ^{2/}
Net present value of the Lannatique Destination Project (NPV of Project) ^{3/}	2,323.11
Internal rate of return (IRR) (% p.a.)	9.30%
Payback period from June 1, 2025 ^{4/} (from the opening date of the first phase)	13.55 years

Remark:

1/ Acquisition price of ordinary shares of PCC, PS2, and KCC in order to acquire land and constructions and leasehold assets for development of the Lannatique Destination Project is equal to Baht 3,448.00 million.

2/ The Company acquired land and constructions of duditD2 Chiang Mai at a total value of Baht 435.00 million, and a subsidiary of the Company acquired land and constructions under the title deed No. 30, Chang Khlan Sub-district, at a total value of Baht 130.00 million. The Board of Directors' Meeting of the Company No. 9/2021, convened on December 14, 2021, has resolved to approve such acquisitions and the acquisitions completed around the end of 2022.

3/ Net of the acquisition price of ordinary shares of PCC, PS2, and KCC of Baht 3,448.00 million and the acquisition price of duditD2 Chiang Mai of Baht 565.00 million.

4/ The opening dates of each phase/sub-project of the Lannatique Destination Project are different. The first phase to open will be the Lannatique Kalare Project – Lifestyle Market, which will open in Q2/2025 (June 1, 2025).

Summary of opening dates of each phase/sub-project are as follows:

- The Plaza Project will open in Q1/2028.
- The Lannatique Bazaar Project will open in Q4/2029.
- The Lannatique Kalare Project – Lifestyle Market will open in Q2/2025.
- The Lannatique Kalare Project – Shopping Center will open in Q4/2027.
- The Lannatique Kalare Project – Hotel will open in Q4/2030.

According to cash flow projection of the Lannatique Destination Project in the base case under the discount rate of 7.54% - 8.03% p.a. (average of 7.90% p.a.), net present value (NPV) of free cash

flow of the Lannatique Destination Project is equal to **Baht 2,323.11 million**, internal rate of return (IRR) is **9.30% p.a.**, and payback period is **13.55 years** from the first date of revenue recognition from the Lannatique Destination Project (June 1, 2025, the schedule opening of the first phase which is the Lannatique Kalare Project – Lifestyle Market).

Sensitivity analysis

The IFA conducts sensitivity analysis on cash flows of the Lannatique Destination Project by adjusting the significant variables as follows:

- (1) Adjust room rate upward/downward by 5.00% from the base case.
- (2) Adjust project investment cost upward/downward by 5.00% from the base case.

Summary of the results of the sensitivity analysis is as follows:

• NPV of cash flow

Lannatique Destination Project		NPV of Cash Flow (Baht million) ^{1/}		
		Project Investment Cost ^{2/} (Exclusive of Land Price) (Inclusive of VAT 100%)		
		-5% (Baht 7,389.34 million)	0% (Baht 7,778.25 million)	+5% (Baht 8,167.16 million)
Room rate/rent rate	-5%	2,021.48	1,771.59	1,520.90
	0%	2,573.50	2,323.11	2,074.92
	+5%	3,128.08	2,878.82	2,627.09

Remark: 1/ Net of the acquisition price of ordinary shares of PCC, PS2, and KCC of Baht 3,448.00 million and the acquisition price of dunitD2 Chiang Mai of Baht 565.00 million.

2/ Exclusive of the acquisition price of ordinary shares of PCC, PS2, and KCC, acquisition price of dunitD2 Chiang Mai, and pre-opening expenses.

• Project internal rate of return and project payback period

Lannatique Destination Project		Project IRR (% p.a.)			Payback Period (Years) ^{1/}		
		Project Investment Cost (Exclusive of Land Price)			Project Investment Cost (Exclusive of Land Price)		
		-5% (Baht 7,389.34 million)	0% (Baht 7,778.25 million)	+5% (Baht 8,167.16 million)	-5% (Baht 7,389.34 million)	0% (Baht 7,778.25 million)	+5% (Baht 8,167.16 million)
Room rate	-5%	9.15%	8.96%	8.78%	13.64	13.87	14.10
	0%	9.49%	9.30%	9.12%	13.32	13.55	13.74
	+5%	9.82%	9.63%	9.44%	12.99	13.21	12.99

Remark: 1/ From the first date of revenue recognition of the first phase of the Lannatique Destination Project, the Lannatique Kalare Project – Lifestyle Market (June 1, 2025).

The outcomes of the sensitivity analysis can be summarized as follows:

- If adjusting revenue and investment of the project, NPV of cash flow of the Lannatique Destination Project is in the range of Baht **1,520.90 – 3,128.08** million (Baht **2,323.11** million in the base case).
- Internal rate of return (IRR) is in the range of 8.78% – **9.82%** p.a. (9.30% p.a. in the base case).
- Payback period is in the range of 12.99 – 14.10 years (13.55 years in the base case) from the first date of revenue recognition from the Lannatique Destination Project (June 1, 2025, the schedule opening of the first phase which is the Lannatique Kalare Project – Lifestyle Market).

In addition, the IFA conducted an analysis on cash flows of the Lannatique Destination Project in the case that the Company can extend the term of the Lease Agreement of the Lannatique Bazaar Project from the end of Q2/2044 to December 31, 2058 (to extend term of the Lease Agreement for additional 14.50 years) or equivalent to 30-year period (2029 – 2058). It is assumed that the up-front fee of the extension of the Lease Agreement is equal to the up-front fee of the existing Lease Agreement, and the annual rent rate increase by 5.00% p.a. (reference to the term and conditions of the existing Lease Agreement, where the annual rent will increase by 25% every 5 years). Summary of the results of our analysis are as follows:

Lannatique Destination Project	In the Case that Lease Agreement of Lannatique Bazaar Project is Extended
Net present value of the Lannatique Destination Project (NPV of Project)	Baht 2,967.80 million ^{1/}
Internal rate of return (IRR) (% p.a.)	9.62%
Payback period from June 1, 2025 (from the opening date of the first phase)	13.37 years ^{2/}

Remark: 1/ Net of the acquisition price of ordinary shares of PCC, PS2, and KCC of Baht 3,448.00 million and the acquisition price of dunitD2 Chiang Mai of Baht 565.00 million.
2/ From the first date of revenue recognition from the Lannatique Destination Project (June 1, 2025, which is the open date of the Lannatique Kalare Project – Lifestyle Market).

The Lannatique Bazaar Project has NPV in the base case (leasehold rights expire in Q2/2044) of Baht 543.49 million and IRR of 10.10% p.a.

In the case where the Land Lease Agreement of the Lannatique Bazaar Project is extended to December 31, 2058 (extend for another 14.50 years), or equivalent to the project period of 30 years (2029 – 2058) with the assumptions mentioned above, the Lannatique Bazaar Project shall have NPV of Baht 1,551.89 million and IRR of 12.22% p.a.

The evaluation of NPV of cash flow and IRR of the Lannatique Destination Project is based on the assumptions provided by the Company under the normal economic condition and circumstances. The Independent Financial Advisor bases its assessment on industry information or historical performance of the Company in 2019 (before COVID-19 pandemic) and in 2022 – 2023 (after the relaxation and termination of COVID-19 control measures). **If there is any change in the Company's business plan and policy including government policy or economic condition or unusual event that may cause material variation from the current business plan of the Lannatique Destination Project or from the forecast and variables used herein, the projection constructed under the above assumptions may change significantly, leading to a relative change in present value of cash flow and IRR of the Lannatique Destination Project accordingly.**

Summary of Opinion of the Independent Financial Advisor on the Appropriateness of the Investment in the Lannatique Destination Project

From the feasibility study of the Lannatique Destination Project, the Independent Financial Advisor finds that net present value (NPV) of the project, after deduction of acquisition price of all ordinary shares of PCC, PS2, and KCC in total amount of Baht 3,448.00 million (exclusive of additional payments in the future), is in the range of Baht 1,520.90 – 3,128.08 million (Baht 2,323.11 million in the base case), IRR is in the range of 8.78% – 9.82% p.a. (9.30% p.a. in the base case) which is higher than the discount rate (WACC) of 7.98% p.a., and payback period is 12.99 – 14.10 years (13.55 years in the base case) from the first date of revenue recognition from the Lannatique Destination Project (June 1, 2025, the schedule opening of the first phase which is the Lannatique Kalare Project – Lifestyle Market). Therefore, the Independent Financial Advisor is of the opinion that the acquisition price of all ordinary shares of PCC, PS2, and KCC in the total amount of Baht **3,448.00** million (exclusive of additional payments in the future) and the investment budget for the development of the Lannatique Destination Project is feasible and appropriate.

Transaction 3: Additional Payments for the Rights in the OP Garden Project

The Company and/or its subsidiaries will pay an additional price for the shares of ACA in order to obtain the rights in the OP Garden Project, in the amount of THB **440.0** million. The OP Garden Project comprises of freehold land and constructions with total area of 0-3-90 rai and the leasehold rights of land with total area of 0-0-76.6 rai. The Company also plans to make additional investment for development of the OP Garden Project at the amount of Baht 623.402 million (inclusive of VAT). The Independent Financial Advisor shall apply valuation approaches as follows:

- 1) Evaluate fair value of land and constructions of the OP Garden Project by comparing with the appraisal price of the land and constructions determined by the Independent Property Appraiser.
- 2) In determining the appropriateness of investment in the OP Garden Project, the Independent Financial Advisor considered future free cash flow (FCF) of the OP Garden Project to calculate:
 - Internal rate of return (IRR) of the OP Garden Project;
 - Net present value (NPV) of the OP Garden Project by using the weighted average cost of capital (WACC) of the OP Garden Project as discount rate; and
 - Payback Period of the OP Garden Project.

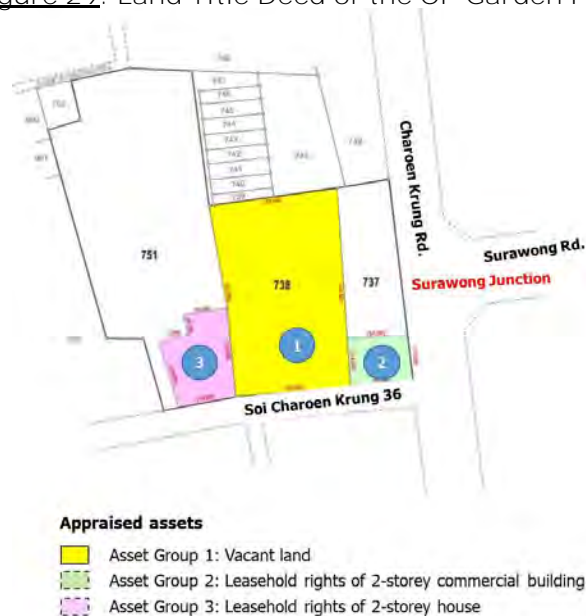
Summary of the valuation is as follows:

3.1 Fair Value of the Freehold Land and Leasehold Rights of Land and Constructions of the OP Garden Project

The Independent Financial Advisor has determined fair value of freehold land and leasehold rights of land and constructions of the OP Garden Project by comparing to the appraised price of the leasehold rights of land determined by the Independent Property Appraiser.

The Company appointed Knight Frank Chartered (Thailand) Company Limited ("Knight Frank" or "Independent Property Appraiser"), an independent property appraiser approved by the SEC, to appraise value of land and leasehold rights of land and constructions. The Independent Property Appraiser conducted the property appraisal on January 5, 2024, for public purpose, to determine fair market value of the assets according to the appraisal report dated January 24, 2024 (No. R0006/2024) by using the Market Comparison Approach and Profit Rent Approach.

Figure 29: Land Title Deed of the OP Garden Project



The property is currently being used as a shopping center under the name "O.P. Garden." The Independent Property Appraiser has assessed the property value by dividing the assets into 3 groups, comprised of (1) freehold land with total land area of **0-3-90.0** rai (**390.00** sq.m.), (2) leasehold rights of 2-storey commercial buildings, and (3) leasehold rights of 2-storey house. The assets are located on

No. 4, 6, 46 and **1236 – 1238**, adjacent to Charoen Krung Road and Soi Charoen Krung 36, Bang Rak Sub-district, Bang Rak District, Bangkok.

Lease term of the 2-storey commercial building and 2-storey house is 20 years from January 1, 2008 to December 31, 2028.

Summary of the appraised assets are as follows:

1. Asset Group 1 – freehold land

A plot of land with total area of **0-3-90.0** rai (390.00 sq.m.)

No.	Title Deed No.	Parcel No.	Dealing File No.	Land Area as per Title Deed			Owner	Encumbrance
				Rai	Ngan	Sq.wah		
1	2287	738	557	0	3	90.0	Asiatic Hotel Collection Company Limited ^{1/}	None

Remark: 1/ Presently named AWC Charoenkrung Asset Company Limited (ACA).

The Independent Property Appraiser applies the comparative method using the Sales Adjustment Grid to determine fair market value of assets. This method is applied to compare the appraised property with market data. It considers and demonstrates the differences in various relevant factors, whether they are superior or inferior, as well as compares the selling prices under the current competitive real estate market. The analysis and adjustment process involves comparing similar properties with interrelated variables, such as location, land area, plot shape, plot frontage, land level, potential property use, and restrictions and conditions that may affect the property value. The final price is then calculated by weighting and adjusting.

The Independent Property Appraiser has selected 3 data of land for comparison having an offering price/selling price in a range of Baht 1.00 – 1.80 million per sq.wah, then making preliminary price adjustments, identifying the factors affecting the value of the property, and adjusting the differences in the market data. Summary of the appraisals is as follows:

Factors	Appraised Land	Data 1	Data 2	Data 3
Type of property	Vacant land	Vacant land	Vacant land	Vacant land
Location	Soi Charoen Krung 36, approximately 0.9 km. from BTS-Surasak Station	Soi Charoenkrung 36, approximately 1 km. from BTS-Surasak Station	Silom Rd., approximately 0.5 km. from BTS-Chong Nonsi Station	Silom Rd., approximately 1.2 km. from BTS-Chong Nonsi Station
Land area	0-3-90.0 rai (390.0 sq.wah)	0-2-97.0 rai (297.0 sq.wah)	3-0-12.2 rai (1,212.2 sq.wah)	0-3-60.0 rai (360.0 sq.wah)
Land shape	Rectangle	Rectangle	Rectangle	Rectangle
Frontage width (meters)	30.00	30.00	68.00	25.00
Land level/filling	Filled to road level			
City plan	Red zone – High density residential zone (Por.5)			
Offering price/sale and purchase price (Baht/sq.wah)		996,632	1,800,000	1,500,000
Post adjustment price (Baht/sq.wah)		1,146,127	1,500,000	1,400,000
Factors				
Location and surrounding		0%	-20%	-20%
Land size		-2%	-7%	0%
Land shape		0%	0%	0%
Land shape		-2%	0%	0%
Utility		0%	0%	0%
Frontage road/road access		0%	0%	-5%
Development potential and ultimate utilization		0%	0%	0%
Legal restriction and city plan		0%	0%	0%
Cumulative weight		-4%	-27%	-20%
Adjusted price (Bath/sq.wah)		1,100,282	1,095,000	1,120,000
Weighted score		78.31%	8.86%	12.82%
Weight Price (Baht/sq.wah)	1,100,000 (rounding)	861,662	97,070	143,610

Factors	Appraised Land	Data 1	Data 2	Data 3
Market value of land (Baht)	429,000,000 (Baht 1,100,000 per sq.wah)			

Source: Property Appraisal Report No. R0006/2024 dated January 24, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Fair value of the freehold land determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0006/2024 dated January 24, 2024, is equal to Baht 1.10 million per sq.wah or equivalent to total value of Baht 429.00 million.

The Independent Financial Advisor is of an opinion that the Market Comparison Approach is an appropriate method in determining value of assets that has available comparable and sufficient market price. In addition, the Independent Financial Advisor views that the comparable data of vacant land used herein are reasonable and the Independent Property Appraiser made adjustment to various factors according to the characteristics of each asset comparing to those of the appraised assets. Therefore, the adjusted value should be able to reflect appropriate and more comparable value.

2. Asset Group 2 – leasehold rights of 2-storey commercial building

The appraised assets are leasehold rights of 3 units of 2-storey commercial building located on No. 1236 – 1238, Charoen Krung Road and Soi Charoen Krung 36, Bang Rak Sub-district, Bang Rak District, Bangkok.

- Land

Total land area according to the Lease Agreement is approximately **20.60** sq.wah. (partial of land title deed No. **2290**).

No.	Title Deed No.	Parcel No.	Dealing File No.	Land Area as per Title Deed			Land Area as per Lease Agreement			Owner	Encumbrance
				Rai	Ngan	Sq.wah	Rai	Ngan	Sq.wah		
1	2290	737	560	0	2	30.0	0	0	20.6	The Crown Property Bureau	20-year leasehold obligation ⁸¹

Remark: 1/ The land is under 20-year Leasehold Agreement dated January 1, 2008 with Asiatic Hotel Collection Company Limited (presently named AWC Charoenkrung Asset Company Limited (ACA)). At the present, remaining lease term is 4 years and 361 days as of the appraisal date.

- Buildings and constructions

3 units of 2-storey commercial building are having reinforced concrete structure with net usable area of **165.00** sq.m., ages around 100 years old with moderate condition. The property is currently being used as a shopping center under the name "O.P. Garden".

The Independent Property Appraiser evaluated the value of leasehold property having a lease period of 4 years and 361 days as of the appraisal date by applying the Profit Rent Method. This method calculates the property value by summing the net present value (NPV) of the profit rent, where the profit rent is the difference between market rent⁸¹ and contract rent.

▪ Market rent rate

In this regard, the Independent Property Advisor has selected 3 data of commercial buildings for comparison having a monthly rent rate in a range of Baht **1,000 – 1,388** per sq.m., then making preliminary price adjustments, identifying the factors affecting the value of the property, and adjusting the differences in the market data. Summary of the appraisals is as follows:

Factors	Appraised Land	Data 1	Data 2	Data 3
Type of building	3 units of 2-storey commercial building	Commercial building	3-storey commercial building	3-storey commercial building
Location	Charoen Krung Rd.	Charoen Krung Rd.	Charoen Krung Rd.	Charoen Krung Rd.
Type of lease	Commercial	Shop house	Shop house	Shop house
No. of storey	2	1	3	3
Building area (sq.m.)	165.00	85.00	108.00	108.00
Offering price (Baht/sq.m./month)		1,000	1,388	1,388
Post adjustment price (Baht/sq.m./month)		900	1,000	1,000

⁸¹ Market rent is obtained by comparing market data of similar properties. The comparison includes factors such as size, shape, location, access, surroundings, and past rental prices. This valuation method also considers economic factors that may affect the real estate market.

Factors	Appraised Land	Data 1	Data 2	Data 3
Factors				
Location		10%	0%	0%
Surrounding		0%	0%	0%
Type and condition of the building		10%	5%	5%
Size of building area		-3%	0%	0%
Utilization and type of lease area		0%	0%	0%
Building facilities		0%	0%	0%
Lease period and condition of the lease agreement		0%	0%	0%
Frontage road		0%	0%	0%
Reputation of the project and developer		0%	0%	0%
Cumulative weight		17%	5%	5%
Adjusted price (Baht/sq.m./month)		1,053	1,050	1,050
Weighted score		10.78%	44.61%	44.61%
Weight Price (Baht/sq.m.)	1,050	113	468	468
Annual rent rate (Baht/year)	2,076,000^{1/} (Baht 173,000 per month)			

Source: Property Appraisal Report No. R0006/2024 dated January 24, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark: 1/ Annual rent rate = Baht 1,050 * 165 sq.m. * 12 months

- Appraisal of leasehold rights of commercial building with a lease period of 4 years and 361 days

The Independent Property Appraiser evaluated value of leasehold assets with the lease period of 4 years and 361 days from the appraisal date (January 5, 2024), by calculating the net present value of profit rent (difference between the market rent and contract rent). Summary of the appraisal is as follows:

Market value of leasehold rights of commercial building with lease period of 4 years and 361 days	
Key assumptions	
Remaining lease period	4 years and 361 days (January 5, 2024 – December 31, 2028)
% growth of rental fee	10.00% every 3 years
Discount rate	8.00% p.a.
Total market rent in 2024 – 2028 (Baht)	Total of Baht 10,770,174 (rent rate in the range of Baht 2,076,000 – 2,283,600 per year)
Contract rent in 2024 – 2028 (Baht/year)	None
Profit rent (Baht)	Total of Baht 10,770,174 (profit rent in the range of Baht 2,076,000 – 2,283,600 per year)
Net present value of profit rent (Baht)	8,567,012
Value of leasehold rights of 2-storey commercial building with lease period of 4 years and 361 days (Baht)	8,600,000

Source: Property Appraisal Report No. R0006/2024 dated January 24, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Fair value of the leasehold rights of 2-storey commercial building for a period of 4 years and 361 days determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0006/2024 dated January 24, 2024, is equal to Baht 8.60 million.

The Independent Financial Advisor is of an opinion that the Profit Rent Method is an appropriate method in determining value of the leasehold property that has available comparable and sufficient market price of rental rate. In addition, the Independent Financial Advisor views that the Independent Property Appraiser made adjustment to various factors according to the characteristics of each asset comparing to those of the appraised assets. Therefore, the adjusted value should be able to reflect appropriate and more comparable value.

3. Asset Group 3 – leasehold rights of 2-storey house (1 building)

The appraised asset is leasehold rights of 2-storey house located on No. 46, Soi Charoen Krung 36, Bang Rak Sub-district, Bang Rak District, Bangkok.

- Land

Total land area according to the Lease Agreement is approximately 56.00 sq.wah (partial of land title deed No. 2315)

No.	Title Deed No.	Parcel No.	Dealing File No.	Land Area as per Title Deed			Land Area as per Lease Agreement			Owner	Encumbrance
				Rai	Ngan	Sq.wah	Rai	Ngan	Sq.wah		
1	2315	751	585	1	3	8.0	0	0	56.0	The Crown Property Bureau	20-year leasehold obligation ^{1/}

Remark: 1/ The land is under 20-year Leasehold Agreement dated January 1, 2008 with Asiatic Hotel Collection Company Limited (presently named AWC Charoenkrung Asset Company Limited). At the present, remaining lease term is 4 years and 361 days as of the appraisal date.

- Building and constructions

2-storey house is having reinforced concrete structure with net usable area of 448.00 sq.m., ages around 80 years old with moderate condition. The property is currently being used as a shopping center under the name "O.P. Garden."

The Independent Property Appraiser evaluated the value of leasehold property having a lease period of 4 years and 361 days as of the appraisal date by applying the Profit Rent Method. This method calculates the property value by summing the net present value (NPV) of the profit rent, where the profit rent is the difference between market rent⁸² and contract rent.

▪ Market rent rate

The Independent Property Appraiser has selected 3 data of commercial building on Charoen Krung Road for comparison having monthly rent rate in a range of Baht 1,000 – 1,388 per sq.m., then making preliminary price adjustments, identifying the factors affecting value of the property, and adjusting the differences in the market data. Summary of the appraisal is as follows:

Factors	Appraised Land	Data 1	Data 2	Data 3
Type of building	2-storey house	Commercial building	3-storey commercial building	3-storey commercial building
Location	Charoen Krung Rd.	Charoen Krung Rd.	Charoen Krung Rd.	Charoen Krung Rd.
Type of lease	Commercial	Shop house	Shop house	Shop house
No. of storey	2	1	3	3
Building area (sq.m.)	448.00	85.00	108.00	108.00
Offering price (Baht/sq.m./month)		1,000	1,388	1,388
Post adjustment price (Baht/sq.m./month)		900	1,000	1,000
<u>Factors</u>				
Location		-12%	-25%	-25%
Surrounding		0%	0%	0%
Type and condition of the building		-5%	-5%	-5%
Building area		-10%	-5%	-5%
Utilization and type of lease area		0%	0%	0%
Building facilities		0%	0%	0%
Lease period and condition of the lease agreement		0%	0%	0%
Frontage road		0%	0%	0%
Reputation of the project and developer		0%	0%	0%
Cumulative weight		-27%	-35%	-35%
Adjusted price (Baht/sq.m./month)		657	650	650
Weighted score		41.87%	29.07%	29.07%
Weight Price (Baht/sq.m./month)	650 (rounding)	275	189	189
Annual rent rate (Baht/year)	3,492,000 ^{3/} (Baht 291,000 per month)			

Source: Property Appraisal Report No. R0006/2024 dated January 24, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Remark: 1/ The Independent Property Appraiser considered the use of the 2-storey house for commercial purpose and location of the property is in the commercial area. Thus, to determine the value of the property with the ultimate usage of the property, the Independent Property Appraiser considered data of commercial buildings for rent to compare with the appraised asset.

2/ Annual rent rate = Baht 650 * 448 sq.m. * 12 months

⁸² Please refer to Footnote 81 on page 152.

▪ Appraisal of leasehold rights of commercial buildings with lease period of 4 years and 361 days

The Independent Property Appraiser evaluated value of leasehold rights with the lease period of 4 years and 361 days from the appraisal date (January 5, 2024), by calculating the net present value of profit rent (difference between the market rent and contract rent). Summary of the appraisal is as follows:

Market value of leasehold rights of 2-storey house with lease period of 4 years and 361 days	
Key assumptions	
Remaining lease period	4 years and 361 days (January 5, 2024 – December 31, 2028)
% growth of rental fee	10.00% every 3 years
Discount rate	8.00% p.a.
Total market rent in 2024 – 2028 (Baht)	Total of Baht 18,116,305 (rent rate in the range of Baht 3,492,000 – 3,841,200 per year)
Contract rent in 2024 – 2028 (Baht/year)	None
Profit rent (Baht)	Total of Baht 18,116,305 (profit rent in the range of Baht 3,492,000 – 3,841,200 per year)
Net present value of profit rent (Baht)	14,410,408
Value of leasehold rights of 2-storey house with lease period of 4 years and 361 days (Baht)	14,400,000

Source: Property Appraisal Report No. R0006/2024 dated January 24, 2024 prepared by Knight Frank Chartered (Thailand) Company Limited

Fair value of the leasehold rights of 2-storey house for a period of 4 years and 361 days determined by the Independent Property Appraiser, according to the Property Appraisal Report No. R0006/2024 dated January 24, 2024, is equal to Baht 14.40 million.

The Independent Financial Advisor is of an opinion that the Profit Rent Method is an appropriate method in determining value of the leasehold property that has available comparable and sufficient market price of rent rate. In addition, the Independent Financial Advisor views that the Independent Property Appraiser made adjustment to various factors according to the characteristics of each asset comparing to those of the appraised assets. Therefore, the adjusted value should be able to reflect appropriate and more comparable value.

Summary of the appraisal of the Asset Group 1 – 3 determined by the Independent Property Appraiser according to the Property Appraisal Report No. R0006/2024 dated January 24, 2024, under the Market Comparison Approach for the Asset Group 1 (freehold land) and the Profit Rent Method for the Asset Group 2 – 3 (Leasehold rights of assets) can be summarized as follows:

(Unit: Baht million)

Asset Group	Details	Appraisal price by the Independent Property Appraiser
1	Freehold land (0-3-90 rai)	429.00
2	Leasehold rights of 2-storey commercial building with lease period of 4 years and 361 days	8.60
3	Leasehold rights of 2-storey house with lease period of 4 years and 361 days	14.40
	Total	452.00

Summary of the Opinion of the Independent Financial Advisor on Fair Value of Land and Leasehold Rights of Land and Constructions for the Development of the OP Garden Project

Comparison of acquisition price of land and leasehold rights of land and constructions of the OP Garden Project and fair value of assets as determined by the Independent Property Appraiser is as follows:

OP Garden Project	Fair Value of Assets (Baht million)	Acquisition Price (Baht million)	Fair Value Higher (Lower) than Acquisition Price	
			(Baht million)	(%)
	(1)	(2)	(3) = (1) – (2)	(4) = (3)/(2)
Land and leasehold rights of land and constructions	452.00	440.00	12.00	2.73

Remark:

- 1/ Fair value of leasehold assets based on the Property Appraisal Report No. R0006/2024 dated January 24, 2024, prepared by Knight Frank Chartered (Thailand) Company Limited.
- 2/ Total acquisition price of land and leasehold rights of land and constructions for development of the OP Garden Project is equal to Baht 440.00 million.

The appraised value of land and leasehold rights of land and constructions of the OP Garden Project determined by the Independent Property Appraiser is equal to Baht 452.00 million, which is higher than the acquisition price by Baht 12.00 million, or higher by 2.73% of the acquisition price. Therefore, the Independent Financial Advisor is of the opinion that the acquisition price of land and leasehold rights of land and constructions of the OP Garden Project at the amount not exceeding Baht 440.00 million is appropriate.

3.2 The Appropriateness of Investment in the OP Garden Project by Evaluating Free Cash Flow of the Project (FCF)

In determining the appropriateness of the entering into the transaction, the Independent Financial Advisor has estimated free cash flow of the OP Garden Project based on financial projection prepared by the Company and historical operating performance of other 7 hotels of the Company, namely **The Athenee Hotel Bangkok, The Okura Prestige Bangkok, Bangkok Marriott Marquis Queen's Park Hotel, Bangkok Marriott Hotel The Surawongse, Hilton Sukhumvit Bangkok, Le Meridien Bangkok, and Double Tree by Hilton Hotel Sukhumvit**. The Independent Financial Advisor adjusted some assumptions in order to reflect industrial and economic conditions based on conservative basis. The Independent Financial Advisor has prepared a 30-year financial projection (2024 - 2053) under the assumption that business of the OP Garden Project is on a going concern basis and there is no significant change under normal economic conditions and circumstances.

The assets to be acquired are freehold land with a total land area of **0-3-90.0** rai (390.00 sq.wah or **1,560.00** sq.m.) and 20-year leasehold rights of constructions (from January 1, 2008 to December 31, 2028) on a total land area of **0-0-76.6** rai (**76.6** sq.wah). Although part of assets to be acquired are leasehold assets with the remaining lease term of 4 years and 8 months (from May 1, 2024, the date after the annual general meeting of shareholders 2024), in this financial forecast, the IFA prepared the financial forecast under the assumption that business of the OP Garden Project is on a going concern basis as the Company plans to use the freehold land as a main part for development of the OP Garden Project, while the leasehold assets will be a support function which can be demolished and changed in the future, if the Company cannot renew the Leasehold Agreement (Please refer to the figure below).

Figure 30: Layout of the New Building (Preliminary Layout)



The Independent Financial Advisor constructs the financial projection based on industry information and historical performance of the Company in 2019 (before COVID-19 pandemic) and in 2022 – 2023 (after the relaxation and termination of COVID-19 control measures). The OP Garden Project is scheduled to open in Q4/2027 (around December 1, 2027).

The OP Garden Project

The OP Garden Project will be an extension phase of Nobu Hotel Bangkok (a future project). The Company plans to connect and share supporting facility with other projects of the Company, which are located in nearby or contiguous area, in order to increase the ability to provide services to customers and manage costs.

The OP Garden Project will have larger room than other projects of the Company in nearby area. The OP Garden Project will have 60 rooms (room size of 45 – 139 sq.m.) in a 7-storey building with 3 basement floors that can accommodate 70 parking spaces. It will also have amenities such as a lounge bar, pool bar, kids room, and rooftop swimming pool.

The OP Garden Project has a concept of being a hotel that takes the classic and develops into a contemporary and simple style. It features a unique design by a renowned designer and rooms that are more like a residence than a hotel, with service of the luxury hotel. It will also be a family-friendly hotel. The project is located in the old city area on Charoen Krung Road and adjacent to Sathon Road, which is a business district in Bangkok.

The construction and development budget (exclusive of land price) is approximately Baht **623.40** million (inclusive of VAT). The Gross Floor Area (GFA) is equal to 8,127.00 sq.m. with Net Leasable Area (NLA) of 3,893.00 sq.m. Details of the budget are as follows:

(Unit: Baht million)

The OP Garden Project	Project Development Budget ^{1/} (Exclusive of VAT)	Project Development Budget ^{1/} (Inclusive of VAT)
Construction and development cost	567.62	607.35
Pre-opening expenses	15.00	16.05
Total	582.62	623.40

Remark: 1/ Exclusive of land price and financial cost.

Please refer to Hotel Industry and Retail Property Outlook in Attachment 5 of this report
Key assumptions used in financial projection of the OP Garden Project are as follows:

- Revenue from hotel business

Revenue from hotel business comprises of room revenue, food and beverage revenue, and other revenues.

- o Room revenue

Key assumptions are as follows:

Description	Assumption	Remark
Opening date	Q4/2027	
No. of guest room	60 keys	
Room revenue		
Average room rate (ARR)	Year 2027 - 2028: Baht 12,000 per room ^{1/} Year 2029: increase by 8% p.a. Year 2030: increase by 6% p.a. Year 2031: increase by 5% p.a. Year 2032 - 2053: increased by 3.00% p.a.	<ul style="list-style-type: none"> - ARR growth in the early period is normally higher than industry average as the new hotels are more attractive than the old ones, resulting in higher room rate than normal. - Long-term growth of room rate is based on the cumulative growth rate (CAGR) of average room rate of Bangkok hotels in the past 10 years, which is equal to 3% p.a. <p><i>(Source: IFA collected historical ADR from "Q2-2023 Bangkok Property Report", prepared by CBRE Research)</i></p>
Occupancy rate	Year 2027: 60.00% Year 2028: 70.00% Year 2029: 75.00% Year 2030 - 2053: 80.00%	<ul style="list-style-type: none"> - The Company base the projection of occupancy rate growth on historical information, together with the estimation of occupancy rate by the hotel operator. - In 2012 – 2019, occupancy rate of luxury hotels in Bangkok was in the range of 65% - 75% and occupancy rate of upscale hotels was in the range of 70% - 80%. (Please refer to Figure 37 in Attachment 5 of this report) - In addition, the occupancy rate of 7 hotels of the Company in Bangkok in 2019 was in the range of 74.9% - 90.7%, while the occupancy rate of the hotels with ARR more than Baht 5,000 was in the range of 76.7% - 83.1%. - In 2023, the occupancy rate of 7 hotels of the Company in Bangkok was in the range of 33.40% - 83.00%, which was lower than the occupancy rate in 2019.
Food and beverage revenue		
Food and beverage revenue ratio	Year 2027 – 2028: 8.00% of room revenue	- Food and beverage revenue of the OP Garden Project will be lower than other projects of the Company as the OP Garden

Description	Assumption	Remark
	Year 2029 : 7.50% of room revenue Year 2030 : 7.00% of room revenue Year 2031 : 6.50% of room revenue Year 2032 - 2053 : 6.00% of room revenue	Project will have a limited NLA and is an extension of Nobu Hotel Bangkok (a future project). - In addition, the OP Garden Project will offer lounges and pool bar with a total areas of 177.00 sq.m. (4.55% of NLA).
Other revenues^{2/}		
Other revenue ratio	Year 2027 – 2053 : 4.00% of room revenue	- From the historical data of 7 hotels of the Company in Bangkok, ratio of other revenues in 2019 was in the range of 2.60% - 6.56% of room revenue (average of 4.06% of room revenue). - In 2023, ratio of other revenues of 7 hotels of the Company in Bangkok was in the range of 1.19% - 6.15% of room revenue (average of 3.51% of room revenue), which was lower than that of 2019.

Remark:

1/ The Company estimated the average room rate in the first year (2027 - 2028) at Baht 12,000 per night, which is the price in the next 3 years. Size of room of the OP Garden Project (45 – 139 sq.m.) and various facilities are also taken into consideration. In addition, The Independent Financial Advisor has reviewed recent room rate of luxury hotels and key competitors in nearby area as follows:

	Hotel	Location	No. of Room (Keys)	Room Area (sq.m.)	Average Room Rate – Deluxe room ^{a/} (Baht/night)
1	Mandarin Oriental Hotel	Charoen Krung Rd.	354	35 – 376	28,926
2	Shangri-La Bangkok	Soi Wat Suan Phlu	802	36 – 84	7,547
3	The Peninsula Bangkok	Charoen Nakhon Rd.	367	43 – 364	12,718
4	Anantara Riverside Bangkok Resort	Charoen Nakhon Rd.	376	38 – 114	7,154
5	The Siam Hotel Bangkok	Khao Rd.	39	80 – 130	21,177 ^{b/}
6	Four Seasons Hotel Bangkok at Chao Phraya River	Charoen Krung Rd.	299	50 – 450	27,430
7	Capella Bangkok	Charoen Krung Rd.	101	61 - 595	37,749
	The OP Garden Project	Charoen Krung Rd.	60	45 - 139	n.a.

Source: www.booking.com (information as of January 11, 2024)

Remark: In general, room rate depends on location, room size, luxury level and amenities, season, and novelty.

a/ Room rate for smallest size room (35 – 61 sq.m.) for 2 person exclusive of breakfast, VAT, and fee (rate for January 19 – 20, 2024).

b/ Room rate for smallest size room (80 sq.m.) for 2 person inclusive of breakfast but exclusive of VAT and fee (rate for January 19 – 20, 2024).

2/ Other revenues are revenue from services of other departments such as spa revenue, laundry revenue, telephone charge, revenue from convenience/souvenir shops, and other revenues.

Cost and expenses

Key assumptions are as follows:

Description	Assumption	Remark
Cost of sales and services		
Cost of room services ^{1/}	Year 2027 – 2028 : 25.00% of room revenue Year 2029 : 24.00% of room revenue Year 2030 : 23.00% of room revenue Year 2031 - 2053 : 22.00% of room revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of room services in 2019 was in the range of 17.00% - 24.00% of room revenue (average of 20.57% of room revenue). - In 2023, ratio of cost of room services was in the range of 18.00% - 25.00% of room revenue (average of 21.29% of room revenue).
Cost of food and beverage ^{2/}	Year 2027 – 2028 : 74.00% of F&B revenue Year 2029 : 73.00% of F&B revenue Year 2030 : 72.00% of F&B revenue Year 2031 - 2053 : 71.00% of F&B revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of food and beverage in 2019 was in the range of 54.00% - 83.00% of food and beverage revenue (average of 70.86% of food and beverage revenue). - In 2023, ratio of cost of food and beverage was in the range of 58.00% - 113.00% of food and beverage revenue (average of 79.57% of food and beverage revenue), which was still higher than that of 2019.
Cost of services of other departments ^{3/}	Year 2029 – 2053 : 50.00% other revenues	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of cost of services of other departments in 2019 was in the range of 27.00% - 60.00% of other revenues (average of 39.14% of other revenues). - In 2023, ratio of cost of services of other departments was in the range of 15.00% - 72.00% of other revenues (average of 45.43% of other revenues), which was higher than that of 2019.

Description	Assumption	Remark
Selling and administrative expenses		
Overhead department expenses ^{4/}	Year 2027 – 2028 : 27.70% of total revenue Year 2029 : 24.60% of total revenue Year 2030 : 23.50% of total revenue Year 2031 onwards: overhead department expenses (excluding marketing expense) increase by 2.00% p.a. ^{5/} and marketing expense is equal to 7.00% of total revenue	- According to the historical data of 7 hotels of the Company in Bangkok, ratio of overhead department expenses in 2019 was in the range of 21.00% - 27.00% of total revenue (average of 23.71% of total revenue). - In 2023, ratio of overhead department expenses was in the range of 20.00% - 44.00% of total revenue (average of 28.14% of total revenue), which was higher than that of 2019 due to lower total revenue in 2023 when compare to total revenue in 2019.
Land and building tax, insurance premium, and other expenses	Year 2027 – 2053 : 1.21% – 1.44% of total revenue	According to the historical data of 7 hotels of the Company in Bangkok, ratio of land and building tax, insurance premium, and other expenses in 2019 was in the range of 0.64% - 2.09% of total revenue (average of 1.35% of total revenue).
Hotel management fee	Base management fee and incentive management fee are assumed at the rate as agreed with the hotel management chain.	
Asset management fee⁸³		
Asset management fee	Asset management fee is assumed at 1.50% of asset value (calculated from acquisition price of land, investment in the project, and annual capital expenditure (CapEx)), which is based on the Company's policy.	

Remark:

- 1/ Cost of room services consists mainly of employee expenses, utilities expenses, and other expenses such as laundry expenses, cleaning expenses, and room amenities expenses.
- 2/ Cost of food and beverage consists mainly of food and beverage expenses, employee expenses, utilities expenses, and other expenses.
- 3/ Cost of services of other departments mainly consists of cost of spa service, laundry, telephone charge, convenience/souvenir shops, and other expenses. Cost of services of each department comprises of direct service cost, employee expenses, and other expenses.
- 4/ Overhead department expenses consist of management fee, repair & maintenance and utilities expenses, IT expenses, utilities expenses, and marketing expenses.
- 5/ Reference to the average 20-year historical growth rate of Consumer Price Index (2005 – 1M/2024) of 2.00% p.a.

Most cost and expense estimates are based on estimation of operating performance presented by hotel operator and/or estimates based on historical performance of the Company. The Independent Financial Advisor has reviewed the accuracy of cost and expense estimates by comparing with the operating performance of other hotels of the Company that are similar or in the same area. It was found that the estimated ratio of cost and expenses is viable under the Company's management.

In addition, cost expenses in the early stage will be higher than the period when the hotel has stable operating performance because revenue and occupancy rate will gradually increase while some fixed costs, such as employee salaries and benefits, utilities expense, security expense, cleaning expense, and repair and maintenance cost, do not increase in proportion to the increase in income.

- Financial cost

The Company assumes ratio of loan to shareholders' equity of the project at **60:40** based on target debt to equity ratio of the Group of Company and the interest rate on loan of 4.20% p.a. (the Company estimated interest rate on long-term loan of 4.20% p.a., which is the rate after interest rate swap from floating to fixed rate).

The Company expects to make a full payment for these land and constructions in 2024 and will start the construction in 2024. Thus, additional payments of 5.00% p.a. to the Sellers of Ordinary Shares shall not be assumed for this project.

- Corporate income tax

The IFA assumed corporate income tax rate of **20%** throughout the projection period.

- Project development cost

Project development cost of the OP Garden Project is estimated at Baht **582.62** million (exclusive of VAT). The project development cost shall be gradually invested during 2024 - 2027. Summary of cash outflow for project development is as follows:

⁸³ Asset management fee is recorded in income statement for the purpose of tax calculation but such amount is added back when calculate cash flow of the project.

(Unit: Baht million)

The OP Garden Project	2024F	2025F	2026F	2027F	Total
Project development cost	56.76	113.52	170.29	227.05	567.62
Pre-opening expenses (realized to PL ^{1/})	-	-	-	15.00	15.00
Total (exclusive of VAT) ^{2/}	56.76	113.52	170.29	242.05	582.62

Remark: 1/ Pre-opening expenses shall be realized to income statement in 2027.

2/ Exclusive of land price and financial cost.

The average development cost of the OP Garden Project is equal to Baht 69,843.34 per sq.m. or Baht 9.46 million per room (exclusive of pre-opening expenses). From the historical information of the Company, average project development cost is approximately Baht 50,000 – 75,000 per sq.m.⁸⁴ In addition, from industry information, construction cost of hotels is approximately Baht 5 – 10 million per room.⁸⁵ However, project development cost of each project will depend on the investment model, project format, design, and luxury level of the project.

- Capital expenditure

The Independent Financial Advisor assumes capital expenditure in 2029 - 2053 at 4.00% of total revenue, similar to hotel industrial standard.

- Assets and liabilities turnover

Based on the Company's policy and industry information as follows:

Trade account receivables	30.00	days on average
Inventory	12.00	days on average
Trade account payables	30.00	days on average

- Summary of financial projection of the OP Garden Project

(Unit: Baht million)

The OP Garden Project	2027F ^{1/}	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F – 2053F
Room revenue	13.39	183.96	212.87	240.68	252.72	260.30	268.11	276.15	284.44	292.97	301.76 – 484.23
F&B revenue	1.07	14.72	15.97	16.85	16.43	16.92	17.43	17.95	18.49	19.04	19.61 – 31.48
Other revenues	0.54	7.36	8.51	9.63	0.66	0.68	0.70	0.72	0.74	0.76	0.78 – 1.26
Total revenue	15.00	206.04	237.35	267.16	269.80	277.89	286.23	294.82	303.66	312.77	322.16 – 516.97
Total cost of sales and services	(4.41)	(60.56)	(67.00)	(72.30)	(67.59)	(69.62)	(71.71)	(73.86)	(76.07)	(78.35)	(80.70) – (129.51)
Gross profit	10.59	145.48	170.35	194.86	202.21	208.28	214.53	220.96	227.59	234.42	241.45 – 387.46
EBITDA before asset management fee	5.82	80.03	101.55	120.37	126.11	130.66	135.11	139.71	144.37	149.26	154.32 – 260.70
EBITDA	(25.29)	63.80	85.17	103.84	109.41	113.79	118.07	122.49	126.97	131.68	136.54 – 238.91
EBIT	(28.82)	19.78	39.26	55.79	59.20	62.31	76.35	80.31	84.50	88.86	93.92 – 207.81
Net profit	(31.19)	(13.06)	7.49	25.95	27.51	30.30	44.49	50.79	57.48	64.57	72.48 – 166.25

Remark: 1/ The project is scheduled for opening in Q4/2027.

- Terminal value growth

The Independent Financial Advisor assumes terminal value growth rate of 1.00% or approximately half of estimated inflation rate based on conservative basis.

- Discount rate

The Independent Financial Advisor employs the weighted average cost of capital (WACC), which is derived from the weighted average of cost of debt (Kd) and cost of equity (Ke), as a discount rate to calculate present value of free cash flow from the project based on the following formula:

$$\text{WACC} = \text{Ke} * \text{E}/(\text{D}+\text{E}) + \text{Kd} * (1-\text{T}) * \text{D}/(\text{D}+\text{E})$$

where	Ke	=	Cost of equity or shareholders' required rate of return (Re)
	Kd	=	Cost of debt or interest rate on loan of the project
	T	=	Corporate income tax rate
	E	=	Total shareholders' equity
	D	=	Interest-bearing debt

⁸⁴ Reference to the project development cost of Aquatique by the Beach Project (AQT) – Hotel, Woeng Nakhon Kasem Project, The Imperial Golden Triangle Resort Project, Swan Project, and Song Wat Project.

⁸⁵ Please refer to Footnote 53 on page 109.

Cost of equity (Ke) or the required rate of return for shareholders (Re) is derived from the Capital Asset Pricing Model (CAPM) as follows:

$$K_e \text{ (or } R_e) = R_f + \beta (R_m - R_f)$$

Where:

Risk Free Rate (Rf) = 3.34% p.a., based on 30-year government bond yield (information as of February 15, 2024), which is the longest Thai government bond regularly issued and offered in the market under the assumption that the Company is on a going concern basis

Beta (β) = 0.69 - 1.69 times, based on the Unlevered Beta of the Company (360 trading days historical average up to February 15, 2024) and adjusted with projected interest-bearing debt to equity ratio of the project
(Beta of the OP Garden Project is equal to 1.52 – 1.69 times in 2024 – 2028, 1.61 – 1.11 times in 2029 – 2033, 0.99 – 0.69 time in 2034 – 2038, and 0.69 time in 2039 – 2053)

Market Risk (Rm) = 10.17% p.a., which is the 31-year average of annual return from investment in the SET from 1992 – 2023 (period of the enforcement of Securities and Exchange Act B.E. 2535) as it is the most suitable period to reflect average return from the SET

Kd = Estimated cost of debt of the project is equal to 4.20% p.a.

D/E Ratio = 0 – 1.83 times, which is the target D/E ratio of the project in the future

T = Estimated corporate income tax rate of 20% p.a.

From the aforementioned assumptions, WACC is equal to 7.44% – 8.03% p.a. (average of 7.83% p.a.).

Summary of operating cash flows of the OP Garden Project is as follows:

(Unit: Baht million)										
The OP Garden Project	2024F	2025F	2026F	2027F ^{1/}	2028F	2029F	2030F	2031F	2032F	2033F
EBITDA excl. asset management fee ^{2/}	0.00	0.00	0.00	(9.18) ^{4/}	80.03	101.55	120.37	126.11	130.66	135.11
Corporate income tax	0.00	0.00	0.00	0.00	0.00	(6.04)	(11.16)	(11.84)	(12.46)	(15.27)
Working capital	0.00	0.00	0.00	0.79	(8.12)	(2.05)	(1.73)	(0.33)	(0.41)	(0.43)
Capital Expenditures	(56.76) ^{3/}	(113.52) ^{3/}	(170.29) ^{3/}	(227.05) ^{3/}	(8.24)	(9.49)	(10.69)	(10.79)	(11.12)	(11.45)
Free cash flow of the project	(56.76)	(113.52)	(170.29)	(235.54)	63.67	83.96	96.80	103.15	106.67	107.97
PV of FCF	(54.10)	(100.67)	(140.56)	(181.05)	45.55	55.88	59.94	59.16	56.72	53.34

(Unit: Baht million)										
The OP Garden Project	2034F	2035F	2036F	2037F	2038F	2039F	2040F	2041F	2042F	2043F
EBITDA excl. asset management fee ^{2/}	139.71	144.37	149.26	154.32	159.53	164.83	170.38	176.12	182.03	188.04
Corporate income tax	(16.06)	(16.90)	(17.77)	(18.78)	(20.93)	(21.88)	(22.87)	(23.89)	(24.95)	(26.02)
Working capital	(0.44)	(0.45)	(0.47)	(0.48)	(0.50)	(0.51)	(0.53)	(0.55)	(0.57)	(0.58)
Capital Expenditures	(11.79)	(12.15)	(12.51)	(12.89)	(13.27)	(13.67)	(14.08)	(14.50)	(14.94)	(15.39)
Free cash flow of the project	111.41	114.87	118.51	122.16	124.83	128.76	132.90	137.17	141.58	146.05
PV of FCF	50.50	48.30	45.29	42.62	40.31	38.39	36.68	35.05	33.48	31.97

(Unit: Baht million)										
The OP Garden Project	2044F	2045F	2046F	2047F	2048F	2049F	2050F	2051F	2052F	2053F
EBITDA excl. asset management fee ^{2/}	194.35	200.85	207.56	214.38	221.53	228.90	236.50	244.25	252.35	260.70
Corporate income tax	(27.15)	(28.31)	(29.51)	(30.94)	(34.56)	(35.87)	(37.23)	(38.62)	(40.07)	(41.56)
Working capital	(0.60)	(0.62)	(0.64)	(0.66)	(0.68)	(0.70)	(0.73)	(0.75)	(0.77)	(0.80)
Capital Expenditures	(15.85)	(16.32)	(16.81)	(17.32)	(17.84)	(18.37)	(18.92)	(19.49)	(20.08)	(20.68)
Free cash flow of the project	150.75	155.60	160.60	165.47	168.45	173.95	179.62	185.39	191.43	197.66
PV of FCF	30.55	29.19	27.89	26.60	25.06	23.96	22.90	21.88	20.91	19.99

Remark: 1/ The project is scheduled for opening in Q4/2027 (December 1, 2027).

2/ Add back asset management fee paid to the Company.

3/ Exclusive of the acquisition price of land and constructions for the development of the project of Baht 440.00 million.

4/ Pre-opening expenses of Baht 15.00 million will be realized to income statement in 2027.

(Unit: Baht million)	
The OP Garden Project	Base Case
Present value of cash flow in year 1 - 30	505.74
Present value of terminal value	287.17
Present value of cash flows of the project	792.92
Less: Acquisition price of land and leasehold rights in the OP Garden Project	(440.00) ^{4/}
Net present value of the OP Garden Project (NPV of Project) ^{1/}	352.92
Internal rate of return (IRR) (% p.a.)	9.96%
Payback period from December 1, 2027 ^{2/} (from the opening date of the project)	10.00 years

Remark:

- 1/ Acquisition price of land and leasehold rights in the OP Garden Project is equal to Baht **440.00** million.
2/ From the first date of revenue recognition from the OP Garden Project (December 1, 2027).

According to the projection of cash flow of the OP Garden Project in the base case under the discount rate of 7.44% - 8.03% p.a. (average of 7.83% p.a.), net present value (NPV) of free cash flow of the project is equal to **Baht 352.92 million**, internal rate of return (IRR) is **9.96% p.a.**, and payback period is **10.00 years** from the first date of revenue recognition from the OP Garden Project (December 1, 2027).

Sensitivity analysis

The IFA conducts sensitivity analysis on cash flows of the OP Garden Project by adjusting the significant variables as follows:

- (1) Adjust room rate upward/downward by 5.00% from the base case.
- (2) Adjust project investment cost upward/downward by 5.00% from the base case.

Summary of the results of the sensitivity analysis is as follows:

• NPV of cash flow

The OP Garden Project		NPV of Cash Flow (Baht million) ^{1/}		
		Project Investment Cost ^{2/} (Exclusive of Land Price) (Inclusive of VAT 100%)		
		-5% (Baht 539.24 mn.)	0% (Baht 567.62 mn.)	+5% (Baht 596.00 mn.)
Room rate	-5%	314.18	293.64	273.32
	0%^{3/}	373.34	352.92	332.39
	+5%	432.47	412.16	391.60

- Remark: 1/ Net of the acquisition price of land and constructions of the OP Garden Project of Baht **440.00** million.
2/ Exclusive of acquisition price of land and constructions for development of the OP Garden Project and pre-opening expenses.
3/ Base case: in 2027 (first year), room rate is equal to Baht **12,000.00** per night.

• Project internal rate of return and project payback period

The OP Garden Project		Project IRR (% p.a.)			Payback Period (Years) ^{1/}		
		Project Investment Cost (Exclusive of Land Price)			Project Investment Cost (Exclusive of Land Price)		
		-5% (Baht 539.24 mn.)	0% (Baht 567.62 mn.)	+5% (Baht 596.00 mn.)	-5% (Baht 539.24 mn.)	0% (Baht 567.62 mn.)	+5% (Baht 596.00 mn.)
Room rate	-5%	9.79%	9.63%	9.48%	10.16	10.37	10.58
	0%	10.12%	9.96%	9.81%	9.79	10.00	10.18
	+5%	10.44%	10.29%	10.13%	9.43	9.63	9.83

- Remark: 1/ From the first date of revenue recognition from the OP Garden Project (December 1, 2027).

The outcomes of the sensitivity analysis can be summarized as follows:

- If adjusting revenue and investment of the project, NPV of cash flow of the OP Garden Project is in the range of Baht 273.32 – 432.47 million (Baht 352.92 million in the base case).
- Internal rate of return (IRR) is in the range of 9.48% – 10.44% p.a. (9.96% p.a. in the base case).
- Payback period is in the range of 9.43 – 10.58 years (10.00 years in the base case) from the first date of revenue recognition from the OP Garden Project (December 1, 2027).

The evaluation of NPV of cash flow and IRR of the OP Garden Project is (a) prepared without taking into consideration the revenue from land and constructions located on lease land from the Crown Property Bureau since the extension of such the lease agreement is uncertain and the constructions on such land are not the core structure of the hotel building, and (b) based on the assumptions provided by the Company under the normal economic condition and circumstances. The Independent Financial Advisor bases its assessment on industry information or historical performance of the Company in 2019 (before COVID-19 pandemic) and in 2022 – 2023 (after the relaxation and termination of COVID-19 control measures). **If there is any change in the Company's business plan** and policy including government policy or economic condition or unusual event that may cause material variation from the current business plan of the OP Garden Project or from the forecast and variables used herein, the projection constructed under the above assumptions may change significantly, leading to a relative change in present value of cash flow and IRR of the OP Garden Project accordingly.

Summary of Opinion of the Independent Financial Advisor on the Appropriateness of Investment in the OP Garden Project

From the feasibility study of the OP Garden Project, the Independent Financial Advisor finds that net present value (NPV) of the project, after deduction of acquisition price of land and constructions of Baht 440.00 million, is in the range of Baht 273.32 – 432.47 million (Baht 352.92 million in the base case), IRR is in the range of 9.48% – 10.44% p.a. (9.96% p.a. in the base case) which is higher than the discount rate (WACC) of 7.83% p.a., and payback period is 9.43 – 10.58 years (10.00 years in the base case) from the first date of revenue recognition from the OP Garden Project (December 1, 2027). Therefore, the Independent Financial Advisor is of the opinion that the acquisition of land and constructions of the OP Garden Project of Baht 440.**00** million and the investment in the development of the OP Garden Project is feasible and appropriate.

Part 4: Summary of the Opinion of the Independent Financial Advisor

Please refer to the opinion of the Independent Financial Advisor in **"Executive Summary"** on page 12 of this report.

However, shareholders should carefully study all documents and information attached to the **notice to this shareholders' meeting for the sake of their own decision making. Decision whether to approve the asset acquisition transactions and the connected transactions rests primarily and is the sole discretion of the shareholders.**

CapAd, as the Independent Financial Advisor, hereby certifies that it has provided the above opinion cautiously in accordance with professional standard for the benefit of the shareholders.

Sincerely Yours,

The Independent Financial Advisor
Capital Advantage Company Limited

-Patchara Netsuwan-

(Mr. Patchara Netsuwan)
Chief Executive Officer

-Patchara Netsuwan-

(Mr. Patchara Netsuwan)
Supervisor

Attachment 1Information of **38** Development Company Limited**1. General Information**

Company name	: 38 Development Company Limited
Main business	: Real estate rental and real estate development
Head Office	: 288-288/1-9 1 st floor Surawong Road, Si Phraya Sub-district, Bangrak District, Bangkok
Registered capital	: Baht 3,000,000 , divided into 300,000 ordinary shares at par value of Baht 10 per share
Paid-up capital	: Baht 3,000,000 divided into 300,000 ordinary shares at par value of Baht 10 per share

2. Business Overview

38 Development Company Limited (**38D**) was established on September **23, 2016**. Currently, **38D** is the owner of the leasehold rights of land with the area of 2-0-18 rai on Sukhumvit Road (at the entrance of Sukhumvit Soi **38**) and Soi Sukhumvit **38**, which is next to the BTS Skytrain Thong Lo Station. It will be developed into a luxury hotel that will be the first wellness and oasis hotel in Thong Lo area managed by a luxury brand.

3. Board of DirectorsPrior to the entering into the transaction

The Board of Directors of **38D** as of February **17, 2024** consists of **7** members as follows:

Name	Position
1. Mr. Somwang Tempornsinn	Director
2. Mr. Jakrawut Rodsattru	Director
3. Mr. Kanchit Somjit	Director
4. Mr. Jeerapoj Sricharoen	Director
5. Miss Malai Udomnitirat	Director
6. Miss Anchulee Tameeruk	Director
7. Miss Sunaree Prakornkaew	Director

Source: corpusx.bol.co.th

Remark: The authorized directors are Mr. Somwang Tempornsinn or Mr. Jakrawut Rodsattru or Mr. Kanchit Somjit or Mr. Jeerapoj Sricharoen co-sign with Miss Malai Udomnitirat or Miss Anchulee Tameeruk or Miss Sunaree Prakornkaew, total 2 directors and affix the **company's seal**.

After **38D** shares acquisition, the Company will consider the replacement of directors according to its shareholding proportion.

4. Shareholder StructurePrior to the entering the transaction

As of February **17, 2024**, **38D** had registered and paid-up capital of Baht **3,000,000**, divided into **300,000** ordinary shares with par value of Baht **10** per share, with details of shareholders as follows:

Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
1. TCC Capital Land Company Limited ^{2/}	299,998	99.9994
2. Yodkij Business Company Limited	1	0.0003
3. Queen's Hotel Company Limited	1	0.0003
Total	300,000	100.0000

Source: corpusx.bol.co.th

Remark:

1/ Prior to proceeding with the transaction, **38D** will increase its registered and paid-up capital and use the proceeds from the capital increase to repay all shareholder loans, thus leaving **38D** with no outstanding loan. The purchase price of **38D** ordinary shares will not change. The number of newly issued shares will depend on the debt obligations at that time.

2/ TCC Capital Land Company Limited

Main business: Holding Company

Registered and paid-up capital: Baht **3,800,000,000**, divided into **38,000,000** ordinary shares at par value of Baht 100 per share

Major shareholders are Chalitlarp Company Limited with 75% shareholding and TCC Land Company Limited with 25% shareholding and ultimate shareholder is Mr. Charoen Sirivadhanabhakdi.

Directors consist of Mr. Somwang Tempornsinn, Mr. Jakrawut Rodsattru, Mr. Kanchit Somjit, Mr. Jeerapoj Sricharoen, Miss Malai Udomnitirat, Miss Anchulee Tameerak, and Miss Sunaree Prakornkaew.

(Source: corpusx.bol.co.th)

After the entering into the transaction

Shareholder structure after the entering into the transaction in tranche 1 for 18% shareholding is as follows:

Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
1. TCC Capital Land Company Limited	246,000	82.00
2. Asset World Corp Public Company Limited and/or its subsidiaries ^{2/}	54,000	18.00
Total	300,000	100.00

Remark:

- 1/ The number of shares as of the transaction date may change because the Sellers of 38D Ordinary Shares will increase capital and use the proceeds from the capital increase to repay loans from shareholders prior to entering into the transaction. The number of newly issued ordinary shares will depend on the debt obligations at that time without affecting the purchase price of ordinary shares.
- 2/ After the conditions precedent specified in the Share Purchase Agreement is achieved. The Purchasers of 38D Ordinary Shares will purchase 18% shares within April 26, 2024 (the date on which the shareholders' meeting approves the entering into the transaction).

Shareholder structure after 100% share acquisition of 38D

Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
1. Asset World Corp Public Company Limited and/or its subsidiaries	300,000	100.00
Total	300,000	100.00

Remark:

- 1/ The number of shares as of the transaction date may change because the Sellers of 38D Ordinary Shares will increase capital and use the proceeds from the capital increase to repay loans from shareholders prior to entering into the transaction. The number of newly issued ordinary shares will depend on the debt obligations at that time without affecting the purchase price of ordinary shares.

5. Financial Highlights

Financial summary for the year ended December 31, 2021, 2022, and 2023 is as follows:

Statement of Financial Position (Unit: Baht thousand)	Dec. 31, 2021 Audited	Dec. 31, 2022 Audited	Dec. 31, 2023 Internal
<u>Current assets</u>			
Cash and cash equivalents	215.47	291.45	315.13
Other receivables	3.61	3.62	183.27
Other current assets – withholding tax	315.01	360.01	135.04
Total current assets	534.09	655.08	633.44
<u>Non-current assets</u>			
Project expenses	17,104.40	17,104.40	-
Property, plant and equipment - net	55.52	41.29	44,464.85
Upfront lease payment	620,551.80	620,551.80	613,800.00
Work in progress	-	-	23,856.19
Total non-current assets	637,711.72	637,697.49	682,121.05
Total assets	638,245.81	638,352.57	682,754.48
<u>Current liabilities</u>			
Other liabilities	665.82	1,087.58	1,208.36
Short-term loan from parent company	641,009.00	660,689.00	682,540.00 ^{1/}
Other current liabilities – withholding tax	81.40	227.69	236.10
Total current liabilities	641,756.22	662,004.27	683,984.46
<u>Non-current liabilities</u>			
Retention	95.73	95.73	95.73
Rental deposits	900.00	900.00	900.00
Total non-current liabilities	995.73	995.73	995.73
Total liabilities	642,751.95	663,000.00	684,980.19
<u>Shareholders' equity</u>			
Authorized share capital			
Issued and paid-up capital	3,000.00	3,000.00	3,000.00
Retained (losses)	(7,506.14)	(27,647.43)	(5,225.71)
Total shareholders' equity	(4,506.14)	(24,647.43)	(2,225.71)
Total liabilities and shareholders' equity	638,245.81	638,352.57	682,754.48

Remark:

- 1/ It is the short-term loan from shareholders of 38D. Before proceeding with the transaction, the Sellers of 38D Ordinary Shares will increase registered and paid-up capital of 38D and use the proceeds from the capital increase to repay all shareholder loans, thus leaving 38D with no outstanding loan. The number of newly issued shares will depend on the debt obligations at that time without affecting the purchase price of ordinary shares.

- Statement of comprehensive income for the year ended December 31, 2021, 2022, and 2023

Statement of Comprehensive Income (Unit: Baht thousand)	Dec. 31, 2021 Audited	Dec. 31, 2022 Audited	Dec. 31, 2023 Internal
Revenue			
Revenues from rent	3,600.00	3,600.00	2,700.00
Interest income	0.79	0.54	3.51
Other revenues	-	-	45,000.00
Total revenue	3,600.79	3,600.54	47,703.51
Administrative expenses	(367.44)	(42.80)	(833.54)
Profit before finance cost	3,233.35	3,557.73	46,886.46
Finance cost	(8,808.54)	(23,690.03)	(24,448.25)
Net profit (loss) for the year	(5,575.19)	(20,141.29)	22,421.72

Remark: Financial statements for the year ended December 31, 2021 and 2022 were audited by ASV International Company Limited, a certified public accountant who is not on the approved list of the SEC.
The financial statements for the year ended December 31, 2023 is an internal financial statement.

Management Discussion and Analysis of **38D**

Operating Results

Total revenue

Total revenue of 38D in 2021 - 2022 was stable at Baht 3.60 million. In 2023, 38D had revenue from rent of Baht 2.7 million and other revenues of Baht 45 million from accepting the transfer of sale office from the tenant on the expiry date of the lease agreement, totalling Baht 47.70 million.

Expenses and finance cost

Due to the nature of real estate rental business, administrative expenses were low. In 2021 – 2023, 38D had administrative expenses of Baht 0.37 – 0.83 million.

Finance cost increased steadily from Baht 8.81 million in 2021 to Baht 23.69 million in 2022 and Baht 24.44 million in 2023, respectively due to an increase in short-term loan from parent company.

Net profit (loss)

In 2021 - 2022, 38D had a net loss from operations of Baht 5.57 million and Baht 20.14 million, respectively because it had fixed rental income of only Baht 3.6 million while finance cost increased considerably due to the substantial increase in debt obligations with parent company. In 2023, 38D recorded a net profit of Baht 22.42 million mainly due to other revenues of Baht 45 million from accepting the transfer of sale office from the tenant when the lease agreement expired.

Financial Position

Assets

In 2021 - 2022, total assets of 38D were relatively constant, amounting to Baht 638.24 million and Baht 638.35 million. The core asset was upfront lease payment representing 97% of total assets. In 2023, total assets of 38D increased to Baht 682.75 million from an increase in sale office which was transferred from the lessee on expiry date of the lease agreement.

Liabilities

Total liabilities of 38D at the end of 2021 - 2022 increased in line with an increase in total assets. Main liability of 38D was short-term loan from parent company, accounting for 99% of total liabilities. At the end of 2022, total liabilities were Baht 663.00 million, increased by Baht 20.25 million or 3.15% from 2021. In 2023, total liabilities continued to increase by Baht 21.98 million from 2022. The increase in total liabilities in 2022 - 2023 was mainly due to an increase in short-term loan from parent company.

Shareholders' equity

In 2021 - 2022, shareholders' equity of 38D was Baht (4.51) million and Baht (24.65) million. The decrease in shareholders' equity was due to the Company's operating loss over the past 2 years from the increase in finance cost as a result of higher borrowing balances. This caused an increase in retained losses from Baht (7.51) million in 2021 to Baht (27.65) million in 2022. In 2023, the negative shareholders' equity was only Baht (2.22) million because of Baht 22.41 million operating profit, thus lower the retained losses.

Attachment 2

Information of The Plaza Chiangmai Company Limited

1. General Information

Company name	: The Plaza Chiangmai Company Limited
Main business	: Real estate rental and real estate development
Head Office	: 100/1 Chang Khlan Road, Chang Khlan Sub-district, Mueang Chiang Mai District, Chiang Mai Province
Registered capital	: Baht 170,000,000, divided into 17,000,000 ordinary shares at par value of Baht 10 per share
Paid-up capital	: Baht 170,000,000, divided into 17,000,000 ordinary shares at par value of Baht 10 per share

2. Business Overview

The Plaza Chiangmai Company Limited (PCC) was established on June 9, 2016, to operate the real estate rental business. PCC currently owns 3 adjacent land plots of land under title deed No. 29, 69534, and 69487, with a total area of 2-3-10 rai and buildings on Chang Khlan Road, Mueang Chiang Mai District, Chiang Mai Province. PCC will develop it into an 85-room upper upscale hotel with a Japanese atmosphere and vibe. It will be named the Lannatique The Plaza Project, a part of the Lannatique Destination Project, and connected to the adjacent dusitD2 Chiang Mai.

3. Board of DirectorsPrior to the entering into the transaction

The Board of Directors of PCC as of February 17, 2024, consists of 7 members as follows:

Name	Position
1. Mr. Somwang Tempornsin	Director
2. Mr. Jakrawut Rodsattru	Director
3. Mr. Kanchit Somjit	Director
4. Mr. Jeerapoj Sricharoen	Director
5. Miss Malai Udomnitirat	Director
6. Miss Anchulee Tameeruk	Director
7. Miss Sunaree Prakornkaew	Director

Source: corpusx.bol.co.th

Remark: The authorized directors are Mr. Somwang Tempornsin or Mr. Jakrawut Rodsattru or Mr. Kanchit Somjit or Mr. Jeerapoj Sricharoen co-sign with Miss Malai Udomnitirat or Miss Anchulee Tameeruk or Miss Sunaree Prakornkaew, total 2 directors and affix the company's seal.

After PCC shares acquisition, the Company will consider the replacement of directors in proportion to its shareholding.

4. Shareholder StructurePrior to the entering into the transaction

As of February 17, 2024, PCC had registered and paid-up capital of Baht 170,000,000, divided into 17,000,000 ordinary shares with par value of Baht 10 per share, with details of shareholders as follows:

Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
1. T.C.C Capital Land Company Limited ^{2/}	16,999,999	100.00
2. Queen's Park Hotel Company Limited	1	0.00
Total	17,000,000	100.00

Source: corpusx.bol.co.th

Remark:

1/ Prior to proceeding with the transaction, PCC will increase its registered and paid-up capital and use the proceeds from the capital increase to repay all shareholder loans, thus leaving PCC with no outstanding loan. The acquisition price of PCC ordinary shares will not change. The number of newly issued shares will depend on the debt obligations at that time.

2/ Please refer to the shareholders and Board of Directors of TCC Capital Land Company Limited in Clause 4 of Attachment 1.

After the entering into the transaction

Shareholder structure after the entering into the transaction in tranche 1 for 18% shareholding is as follows:

Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
1. TCC Capital Land Company Limited	13,940,000	82.00

Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
2. Asset World Corp Public Company Limited and/or its subsidiaries ^{2/}	3,060,000	18.00
Total	17,000,000	100.00

Remark:

- 1/ The number of shares as of the transaction date may change because the Sellers of PCC Ordinary Shares will increase capital and use the proceeds from the capital increase to repay loans from shareholders prior to entering into the transaction. The number of newly issued ordinary shares will depend on the debt obligations at that time without affecting the purchase price of ordinary shares.
- 2/ After the conditions precedent specified in the Share Purchase Agreement is achieved. The Purchasers of PCC Ordinary Shares will purchase **18%** shares within April 26, 2024 (the date on which the shareholders' meeting approves the entering into the transaction).

Shareholder structure after 100% PCC's share acquisition

Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
1. Asset World Corp Public Company Limited and/or its subsidiaries	17,000,000	100.00
Total	17,000,000	100.00

Remark:

- 1/ The number of shares as of the transaction date may change because the Sellers of PCC Ordinary Shares will increase capital and use the proceeds from the capital increase to repay loans from shareholders prior to entering into the transaction. The number of newly issued ordinary shares will depend on the debt obligations at that time without affecting the purchase price of ordinary shares.

5. Financial Highlights

Financial summary for the year ended December 31, 2021, 2022, and 2023 is as follows:

Statement of Financial Position (Unit: Baht thousand)	Dec. 31, 2021 Audited	Dec. 31, 2022 Audited	Dec. 31, 2023 Internal
Current assets			
Cash and cash equivalents	598.78	607.54	892.05
Trade receivables and accrued income	283.40	133.44	408.52
VAT receivables	1,651.30	189.54	39.32
Other current assets	173.64	162.24	557.22
Total current assets	2,706.12	1,092.77	1,897.10
Non-current assets			
Investment property	298,537.87	292,745.63	286,953.39
Equipment	453.65	249.48	64.66
Withholding tax	272.15	38.18	-
Rental deposit	3.00	3.00	-
Total non-current assets	299,266.67	293,036.29	287,018.06
Total assets	301,972.79	294,129.06	288,915.16
Current liabilities			
Trade payables	682.42	503.46	-
Short-term loans	189,881.00	198,527.00	204,700.00 ^{1/}
Other current liabilities	215.64	158.28	2,616.16
Total current liabilities	190,779.06	199,188.74	207,316.16
Provision for employee benefits	327.04	352.02	-
Unearned revenue	800.72	845.36	-
Total non-current liabilities	1,127.76	1,197.38	-
Total liabilities	191,906.82	200,386.12	207,316.16
Shareholders' equity			
Authorized share capital	170,000.00	170,000.00	170,000.00
Issued and paid-up capital	170,000.00	170,000.00	170,000.00
Retained (losses)	(59,934.02)	(76,257.06)	(88,401.00)
Total shareholders' equity	110,065.98	93,742.94	81,568.99
Total liabilities and shareholders' equity	301,972.79	294,129.06	288,915.16

Remark:

- 1/ It is the short-term loan from shareholders of PCC. Before proceeding with the transaction, the Sellers of PCC Ordinary Shares will increase registered and paid-up capital of PCC and use the proceeds from the capital increase to repay all shareholder loans, thus leaving PCC with no outstanding loan. The number of newly issued shares will depend on the debt obligations at that time without affecting the purchase price of ordinary shares.

- Statement of comprehensive income for the year ended December 31, 2021, 2022, and 2023

Statement of Comprehensive Income (Unit: Baht thousand)	Dec. 31, 2021 Audited	Dec. 31, 2022 Audited	Dec. 31, 2023 Internal
Revenue from rent	411.09	413.44	1,143.41
Revenue from services	1,635.51	1,516.58	3,698.06
Other revenues	150.48	9.72	238.99

Statement of Comprehensive Income (Unit: Baht thousand)	Dec. 31, 2021 Audited	Dec. 31, 2022 Audited	Dec. 31, 2023 Internal
Total revenue	2,199.08	1,939.74	5,080.46
Employee expenses	(1,797.64)	(1,539.64)	-
Depreciation and amortization expenses	(6,026.11)	(6,018.47)	(6,017.33)
Utility expenses	(1,093.29)	(1,191.94)	(1,288.62)
Administrative expenses	(1,811.66)	(731.60)	(409.92)
Other expenses	(1,034.85)	(1,698.19)	(2,104.00)
Total expenses	(11,763.55)	(11,179.84)	(9,819.87)
(Losses) before finance costs	(9,564.47)	(9,240.10)	(4,739.41)
Finance costs	(10,396.70)	(7,082.94)	(7,404.53)
Net (loss) for the year	(19,961.17)	(16,323.04)	(12,143.94)

Remark: Financial statements for the year ended December 31, 2021 and 2022 were audited by Fides Audit Company Limited, a certified public accountant who is not on the approved list of the SEC.

The financial statements for the year ended December 31, 2023 is an internal financial statement.

Management Discussion and Analysis of PCC

Operating Results

Total revenue

Total revenue of PCC comprises of revenue from rent and services as well as other revenues. In 2022, PCC had total revenues of Baht 1.94 million, decreased by Baht 0.26 million or 11.80% from 2021 due to the decrease in revenue from services and other revenues. In 2023, total revenue were Baht **5.08** million, increased by Baht **3.14** million or **161.91%** from 2022 due to an increase in revenue from rent and services from the more relaxed situation of the COVID-19 pandemic. The Plaza is gradually adjusting rental rates back to pre-COVID rate and has more tenants.

Expenses and finance cost

PCC's expenses in 2022 were Baht 11.18 million, decreased by Baht **0.58** million from 2021 due to the decrease in employee expenses and administrative expenses. In 2023, total expenses decreased to Baht **9.82** million from the decline in employee expenses.

Finance cost in 2022 was Baht **7.08** million, decreased by Baht **3.31** million from 2021 because of the increase in capital in August 2021 and such proceeds was used to repay loan during the year, leading to a decrease in finance cost in 2022. In 2023, finance cost increased to Baht **7.40** million because of the increase in short-term loans.

Net (loss)

As PCC's total expenses were higher than total revenues over the past 3 years, PCC recorded operating loss before finance cost of Baht (9.56) million in 2021, Baht (9.24) million in 2022, and Baht **(4.74)** million in 2023. After deducting finance cost, PCC recorded a net loss of Baht (19.96) million in 2021, Baht (16.32) million in 2022, and Baht (12.14) million in 2023, respectively.

Financial Position

Assets

Due to the nature of real estate rental business, core asset of PCC was investment properties which accounted for 99% of total assets. In 2022, total assets decreased by Baht 7.84 million from Baht **301.97** million in 2021 to Baht 294.13 million due to the decrease in deferred tax assets, investment properties, and equipment from the amortization and depreciation expenses.

Liabilities

Total liabilities of PCC increased over the past 2 years from Baht **191.91** million in 2021 to Baht **200.38** million in 2022 and Baht **207.32** million in 2023. The major liabilities item of PCC in 2021 - 2022 was short-term loan to finance working capital, representing 99% of total liabilities.

Shareholders' equity

Shareholders' equity of PCC continued to decrease over the past 3 years from Baht 110.06 million in 2021 to Baht 93.74 million in 2022 and Baht 81.57 million in 2023 from the ongoing operating losses, which led to the increase in retained losses.

Attachment 3

Information of Permsub Siri 2 Company Limited

1. General Information

Company name	: Permsub Siri 2 Company Limited
Main business	: Real estate rental and real estate development
Head Office	: 104/1 Chang Khlan Road, Chang Khlan Sub-district, Mueang Chiang Mai District, Chiang Mai Province
Branch	: 92/1, 92/2 Soi 1 Thapae Road, Chang Khlan Sub-district, Mueang Chiang Mai District, Chiang Mai Province
Registered capital	: Baht 50,000,000 , divided into 5,000,000 ordinary shares at par value of Baht 10 per share
Paid-up capital	: Baht 50,000,000 , divided into 5,000,000 ordinary shares at par value of Baht 10 per share

2. Business Overview

Permsub Siri 2 Company Limited (PS2) was incorporated on January 7, 2014, to operate real estate rental and real estate development business. PS2 is the owner of long-term leasehold rights (the remaining leasehold period is **20** years and 4 months from February 28, 2024) of **3** adjacent plots of land with a total area of **6-1-22** rai and constructions on Chang Khlan Road, Chang Khlan Sub-district, Mueang Chiang Mai District, Chiang Mai Province, which is currently the location of the Night Bazaar. PS2 plans to develop it into a 297-room upper upscale hotel with to be managed by an upper upscale hotel brand (as a part of the Lannatique Destination Project and an extension of the adjacent Chiang Mai Marriott Hotel), shopping center, and car park building. The development of the project will commence by the end of 2024 and is expected to operate commercially in Q4/2029.

3. Board of DirectorsPrior to the entering into the transaction

The Board of Directors of PS2 as of February **17, 2024**, consists of **6** members as follows

Name	Position
1. Mr. Aegatip Rattana-Ari	Director
2. Mr. Pattavee Pongnontakul	Director
3. Mr. Kanchit Somjit	Director
4. Mr. Somwang Tempornsin	Director
5. Mr. Jakrawut Rodsatru	Director
6. Mrs. Noppawan Khlaithip	Director

Source: corpusx.bol.co.th

Remark: The authorized directors are Mr. Aegatip Rattana-Ari or Mr. Pattavee Pongnontakul or Mr. Kanchit Somjit co-sign with Mr. Somwang Tempornsin or Mrs. Noppawan Khlaithip, total 2 directors and affix the **company's seal**.

After PS2's shares acquisition, the Company will consider the replacement of directors according to its shareholding proportion.

4. Shareholder StructurePrior to the entering into the transaction

As of February **17, 2024**, PS2 had registered and paid-up capital of Baht **50,000,000**, divided into **5,000,000** ordinary shares with par value of Baht **10** per share, with details of shareholders as follows:

Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
1. TCC Capital Land Company Limited ^{2/}	4,999,999	99.99998
3. Queen's Park Hotel Company Limited	1	0.00002
Total	5,000,000	100.00000

Source: corpusx.bol.co.th

Remark:

1/ Prior to proceeding with the transaction, PS2 will increase its registered and paid-up capital and use the proceeds from the capital increase to repay all shareholder loans, thus leaving PS2 with no outstanding loan. The acquisition price of PS2 ordinary shares will not change. The number of newly issued shares will depend on the debt obligations at that time.

2/ Please refer to the shareholders and Board of Directors of TCC Capital Land Company Limited in Clause 4 of Attachment 1.

After the entering into the transaction

Shareholder structure after the entering into the transaction in tranche 1 for 18% shareholding is as follows:

Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
1. TCC Capital Land Company Limited	4,100,000	82.00
2. Asset World Corp. Public Company Limited and/or its subsidiaries ²	900,000	18.00

Remark:

- 1/ The number of shares as of the transaction date may change because the Sellers of PS2 Ordinary Shares will increase capital and use the proceeds from the capital increase to repay loans from shareholders prior to entering into the transaction. The number of newly issued ordinary shares will depend on the debt obligations at that time without affecting the purchase price of ordinary shares.
- 2/ After the conditions precedent specified in the Share Purchase Agreement is achieved. The Purchasers of PS2 Ordinary Shares will purchase **18%** shares within April 26, 2024 (the date on which the shareholders' meeting approves the entering into the transaction).

Shareholder structure after 100% PS2's share acquisition

Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
1. Asset World Corp Public Company Limited and/or its subsidiaries	5,000,000	100.00
Total	5,000,000	100.00

Remark:

- 1/ The number of shares as of the transaction date may change because the Sellers of PS2 Ordinary Shares will increase capital and use the proceeds from the capital increase to repay loans from shareholders prior to entering into the transaction. The number of newly issued ordinary shares will depend on the debt obligations at that time without affecting the purchase price of ordinary shares.

5. Financial Highlights

Financial summary for the year ended December 31, 2021, 2022, and 2023. is as follows:

Statement of Financial Position (Unit: Baht thousand)	Dec. 31, 2021 Audited	Dec. 31, 2022 Audited	Dec. 31, 2023 Internal
Current assets			
Cash and cash equivalents	557.17	728.33	556.18
Trade receivables	18.54	26.94	114.60
Deferred tax assets	189.37	72.18	56.86
Other current assets	310.73	247.41	893.10
Total current assets	1,075.81	1,074.86	1,620.74
Non-current assets			
Other long-term investment	0.17	0.41	-
Leasehold rights	126,024.04	120,421.95	114,819.86
Investment property	52,058.63	49,742.81	47,434.47
Equipment	407.47	241.33	310.50
Intangible assets	60.15	18.87	-
Withholding tax	6.97	9.60	-
Rental deposit	10.50	11.10	-
Total non-current assets	178,567.93	170,446.07	162,564.83
Total assets	179,643.74	171,520.93	164,185.57
Current liabilities			
Short-term loans	168,020.00	175,100.00	183,130.00 ^{1/}
Other payable and accrued expenses	9,009.27	10,538.26	13,857.54
Advance receipts	57.40	43.65	88.82
Other current liabilities	71.19	38.85	511.49
Total current liabilities	177,157.86	185,720.76	197,587.85
Non-current liabilities			
Provision for employee benefits	139.92	169.99	863.69
Unearned revenue	325.01	1,292.36	-
Total non-current liabilities	464.93	1,462.36	863.69
Total liabilities	177,622.79	187,183.12	198,451.54
Shareholders' equity			
Authorized share capital	50,000.00	50,000.00	50,000.00
Issued and paid-up capital	50,000.00	50,000.00	50,000.00
Retained (losses)	(47,979.04)	(65,662.19)	(84,265.97)
Total shareholders' equity	2,020.96	(15,662.19)	(34,265.97)
Total liabilities and shareholders' equity	179,643.75	171,520.93	164,185.57

Remark:

- 1/ It is the short-term loan from shareholders of PS2. Before proceeding with the transaction, the Sellers of PS2 Ordinary Shares will increase registered and paid-up capital of PS2 and use the proceeds from the capital increase to repay all shareholder loans, thus leaving PS2 with no outstanding loan. The number of newly issued shares will depend on the debt obligations at that time without affecting the purchase price of ordinary shares.

- Statement of comprehensive income for the year ended December **31, 2021**, 2022, and 2023

Statement of Comprehensive Income (Unit: Baht thousand)	Dec. 31, 2021 Audited	Dec. 31, 2022 Audited	Dec. 31, 2023 Internal
Revenue from rent	653.30	797.99	2,132.00
Revenue from services	1,501.54	1,822.28	4,861.82
Other revenues	88.47	56.14	28.03
Total revenue	2,243.31	2,676.41	7,021.85
Employee expenses	(884.53)	(582.56)	(3,046.50)
Rental expenses	(8,312.09)	(7,717.30)	(8,004.20)
Depreciation and amortization expenses	(2,602.32)	(2,523.24)	(2,452.46)
Utilities expenses	(412.56)	(538.24)	(979.90)
Property tax	(166.87)	(1,398.15)	(1,524.79)
Administrative expenses	(246.00)	(772.20)	(2,222.25)
Other expenses	(505.74)	(545.04)	(870.40)
Total expenses	(13,130.11)	(14,076.73)	(19,100.50)
(Losses) before finance cost	(10,886.80)	(11,400.32)	(12,078.65)
Finance cost	(6,018.47)	(6,282.84)	(6,524.45)
Net (loss) for the year	(16,905.27)	(17,683.15)	(18,603.10)

Remark: Financial statements for the year ended December 31, 2021 and 2022 were audited by Fides Audit Company Limited, a certified public accountant who is not on the approved list of the SEC.

The financial statements for the year ended December 31, 2023 is an internal financial statements.

Management Discussion and Analysis of PS2Operating ResultsTotal revenue

In 2022, PS2 recorded total revenue of Baht **2.68** million, increased by Baht 0.43 million or 19.30% from 2021 because of the relief of COVID-19 pandemic, the fewer number of infected patients, and higher number of tenants. In **2023**, PS2 had total revenue of Baht **7.02** million, increased by **162.36%** from 2022 due to the increase in occupancy rate and adjustment of rental rate from the favorable retail market.

Expenses and finance cost

Total expenses in 2022 were Baht 14.08 million, increased by Baht 0.95 million from 2021 as a result of an increase in property tax. In 2023, the total expenses were Baht 19.10 million, increased by Baht 5.02 million from 2022 due mainly to the increase in employee expenses, administrative expenses, and rental fee.

Finance cost in 2021 - 2023 continued to increase from Baht 6.02 million in 2021 to Baht 6.28 million in 2022 and Baht 6.52 million in 2023 due to an increase in short-term loans.

Net (loss)

Given relatively high fixed expenses such as rental fee and depreciation, revenue from rent and services did not cover expenses over the past 3 years. PS2, therefore, recorded net loss of Baht (16.90) million, Baht (17.68) million, and Baht (18.60) million in 2021 - 2023, respectively.

Financial PositionAssets

In 2022 - 2023, total assets were Baht 171.52 million and Baht 164.18 million respectively. The decline in total assets over the past 2 years was due to the amortization of leasehold rights and depreciation of investment properties and equipment.

Liabilities

Total liabilities of PS2 have been increasing over the past 3 years from Baht **177.62** million in 2021 to Baht **187.18** million in **2022** and Baht **198.45** million in **2023**. The increase in liabilities in **2022 - 2023** due mainly to short-term loans from related companies, which was PS2's core liabilities, accounting for approximately **94 - 95%** of total liabilities.

Shareholders' equity

Shareholders' equity of PS2 has declined over the past 3 years as PS2 has continued to record losses, with increased retained losses from Baht (47.98) million in 2021 to Baht (65.66) million in 2022 and Baht (84.26) million in 2023. This makes shareholders' equity in 2021 of Baht 2.02 million turned to be negative of (Baht 15.66) million in 2022 and (Baht 34.26) million in 2023, respectively.

Attachment 4

Information of Kalare Chang Klan Chiangmai Company Limited

1. General Information

- Company name : Kalare Chang Klan Chiangmai Company Limited
 Main business : Real estate rental and real estate development
 Head office : 89/2 Chang Khlan Road, Chang Khlan Sub-district, Chang Khlan District, Chiang Mai Province
 Register capital : Baht **500,000,000**, divided into **50,000,000** ordinary shares at par value of Baht **10** per share
 Paid-up capital : Baht **500,000,000** divided into **50,000,000** ordinary shares at par value of Baht **10** per share

2. Business Overview

Kalare Chang Klan Chiangmai Company Limited (KCC) was established on November 27, 2014, to engage in real estate rental and real estate development business. KCC owns land and construction located on Chang Khlan Road, Chang Moi Sub-district, Mueang Chiang Mai District, Chiang Mai Province, on a total area of 12-1-68.2 rai. The property is located opposite to the Lannatique The Plaza Project and the Lannatique Bazaar Project and next to Melia Chiang Mai. The Company will develop it into a 168-room luxury hotel that will be managed by a leading global brand. The project also comprises of shopping center, lifestyle market, entertaining art center, and indoor amusement park and water park. The project is schedule for opening Phase 1: Lifestyle Market and Art Village by Q2/2025, Phase 2: Shopping Center by Q4/2027, and Phase 3: Hotel by Q4/2030.

3. Board of Directors

Prior to the entering into the transaction

The Board of Directors of KCC as of February **17, 2024**, consists of **7** members as follows:

	Name	Position
1.	Mr. Somwang Tempornsinn	Director
2.	Mr. Jakrawut Rodsattru	Director
3.	Mr. Kanchit Somjit	Director
4.	Mr. Jeerapoj Srcharoen	Director
5.	Miss Malai Udomnitirat	Director
6.	Miss Anchulee Tameeruk	Director
7.	Miss Sunaree Prakornkaew	Director

Source: corpusx.bol.co.th

Remark: The authorized directors are Mr. Somwang Tempornsinn or Mr. Jakrawut Rodsattru or Mr. Kanchit Somjit or Mr. Jeerapoj Srcharoen co-sign with Miss Malai Udomnitirat or Miss Anchulee Tameeruk or Miss Sunaree Prakornkaew, total 2 directors and affix the **company's seal**.

After KCC's shares acquisition, the Company will consider the replacement of directors according to its shareholding proportion.

4. Shareholder Structure

Prior to the entering into the transaction

As of February **17, 2024**, KCC had registered and paid-up capital of Baht **500,000,000**, divided into **5,000,000** ordinary shares with par value of Baht **10** per share, with details of shareholders as follows:

	Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
1.	TCC Capital Land Company Limited ^{2/}	49,999,999	100.00
2.	Queen's Park Hotel Company Limited	1	0.00
	Total	50,000,000	100.00

Source: corpusx.bol.co.th

Remark:

1/ Prior to proceeding with the transaction, KCC will increase its registered and paid-up capital and use the proceeds from the capital increase to repay all shareholder loans, thus leaving KCC with no outstanding loan. The acquisition price of KCC ordinary shares will not change. The number of newly issued shares will depend on the debt obligations at that time.

2/ Please refer to the shareholders and Board of Directors of TCC Capital Land Company Limited in Clause 4 of Attachment 1.

After the entering into the transaction

Shareholder structure after the entering into the transaction in tranche 1 for 18% shareholding is as follows:

Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
1. TCC Capital Land Company Limited	40,100,000	82.00
2. Asset World Corp Public Company Limited and/or its subsidiaries ^{2/}	9,000,000	18.00
Total	50,000,000	100.00

Remark:

- 1/ The number of shares as of the transaction date may change because the Sellers of KCC Ordinary Shares will increase capital and use the proceeds from the capital increase to repay loans from shareholders prior to entering into the transaction. The number of newly issued ordinary shares will depend on the debt obligations at that time without affecting the purchase price of ordinary shares.
- 2/ After the conditions precedent specified in the Share Purchase Agreement is achieved. The Purchasers of KCC Ordinary Shares will purchase **18%** shares within April **26, 2024** (the date on which the shareholders' meeting approves the entering into the transaction).

Shareholder structure after 100% KCC's share acquisition

Shareholder Name	Number of Shares ^{1/}	Shareholding (%)
1. Asset World Corp Public Company Limited and/or its subsidiaries	17,000,000	100.00
Total	17,000,000	100.00

Remark:

- 1/ The number of shares as of the transaction date may change because the Sellers of KCC Ordinary Shares will increase capital and use the proceeds from the capital increase to repay loans from shareholders prior to entering into the transaction. The number of newly issued ordinary shares will depend on the debt obligations at that time without affecting the purchase price of ordinary shares.

5. Financial Highlights

Financial summary for the year ended December 31, 2021, 2022, and 2023 as follows:

Statement of Financial Position (Unit: Baht thousand)	Dec. 31, 2021 Audited	Dec. 31, 2022 Audited	Dec. 31, 2023 Internal
Current assets			
Cash and cash equivalents	778.88	1,557.97	1,935.77
Trade receivables	16.45	469.14	300.67
Other current assets	594.05	369.61	12,339.40
Total current assets	1,389.38	2,396.72	14,575.84
Non-current assets			
Other long-term investment	0.11	0.00	-
Investment property	837,441.75	832,842.94	-
Property, plant, and equipment	-	-	829,289.76
Equipment	935.76	502.14	-
Intangible assets	31.87	-	-
Withholding tax	358.17	71.50	-
Rental deposits	2,522.22	2,723.00	-
Total non-current assets	841,289.89	836,139.58	829,289.76
Total assets	842,679.27	838,536.30	843,865.60
Current liabilities			
Trade payables	7,690.92	923.33	166.89
Short-term loans from related company	352,774.00	386,977.00	382,300.00
Accrued expenses	323.13	250.75	736.32
Other current liabilities	850.51	372.72	14,418.24
Total current liabilities	361,638.56	388,523.80	397,621.45
Non-current liabilities			
Provision for employee benefits	705.92	642.46	-
Unearned revenue	2,388.82	1,640.28	-
Total non-current liabilities	3,094.74	2,282.74	-
Total current liabilities	364,733.30	390,806.54	397,621.54
Shareholders' equity			
Authorized share capital	500,000.00	500,000.00	500,000.00
Issued and paid-up capital	500,000.00	500,000.00	500,000.00
Retained (losses)	(22,054.04)	(52,270.24)	(53,755.94)
Total shareholders' equity	477,945.96	447,729.76	446,244.06
Total liabilities and shareholders' equity	842,679.27	838,536.30	843,865.60

Remark:

- 1/ It is the short-term loan from shareholders of KCC. Before proceeding with the transaction, the Sellers of KCC Ordinary Shares will increase registered and paid-up capital of KCC and use the proceeds from the capital increase to repay all shareholder loans, thus leaving KCC with no outstanding loan. The number of newly issued shares will depend on the debt obligations at that time without affecting the purchase price of ordinary shares.

- Statement of comprehensive income for the year ended December **31, 2021**, 2022, and 2023

Statement of Comprehensive Income (Unit: Baht thousand)	Dec. 31, 2021 Audited	Dec. 31, 2022 Audited	Dec. 31, 2023 Internal
Revenues from rent	1,692.46	2,038.51	17,508.00
Revenues from services	5,004.44	7,541.04	355.96
Revenues from sale of food and beverages	-	0.96	-
Gain from sale of investment	143,774.30	-	-
Gain from sale of assets	-	-	11.81
Interest income	-	-	2.58
Other revenues	7,309.49	95.87	2,693.64
Total revenue	157,780.69	9,676.38	20,571.99
Rental expenses	(3,091.23)	(6,461.76)	(120.00)
Employee expenses	(3,739.56)	(3,318.43)	-
Administrative expenses	(4,046.47)	(5,796.67)	(217.23)
Depreciation and amortization expenses	(5,610.78)	(5,059.89)	(4,632.83)
Utilities expenses	(908.45)	(1,297.10)	(367.85)
Property tax	(280.04)	(2,404.22)	(2,458.65)
Cost of food and beverages	-	-	-
Other expenses	(1,411.57)	(2,044.53)	(96.32)
Total expenses	(19,088.11)	(26,382.60)	(7,892.88)
Profit (loss) before finance cost	138,692.59	(16,706.22)	12,679.11
Finance cost	(42,360.38)	(13,509.98)	(14,164.81)
Net profit (loss) for the year	96,332.21	(30,216.20)	(1,485.70)

Remark: Financial statements for the year ended December 31, 2021 and 2022 were audited by Fides Audit Company Limited, a certified public accountant who is not on the approved list of the SEC.

The financial statements for the year ended December 31, 2023 is an internal financial statements.

Management Discussion and Analysis of KCCOperating ResultsTotal revenue

In 2022, KCC had total revenue of Baht 9.68 million, a decrease of Baht 148.10 million from 2021 because there was no gain from the disposal of investments like previous year. If considering only revenues from core business, which is revenue from rent and services, it was found that such revenue increased to Baht 9.58 million, compared to only Baht 6.70 million of the previous year due to the increase in number of tenants from the relief of COVID-19 pandemic. In 2023, KCC had total revenue of Baht 20.57 million from the increase in revenue from rent and services of Baht 15.82 million because the land and constructions in Kalare Night Bazar project was leased to a related company for 1 year.

Expenses and finance cost

In **2022**, total expenses increased from Baht **19.09** million to Baht **26.38** million due to an increase in rental expenses, administrative expenses, utilities expenses, and property tax. In 2023, total expenses were Baht 7.89 million, decreased by Baht **18.49** million from **2022** due to a decrease in rental expenses, employee expenses, administrative expenses, and utilities expenses.

Finance cost in **2021** was Baht **42.36** million. In **2022**, finance cost decreased from Baht **28.85** million to Baht **13.51** million in **2021** due to capital increase in August **2021**. Such proceeds were used to repay loan during the year, leading to lower finance cost in 2022 than the previous year. In 2023, finance cost increased by Baht 0.65 million to Baht 14.16 million because of the increase in loans from related company.

Net profit (loss)

Although **KCC's** revenue from rent and services in 2022 increased from **2021**, the fixed expenses such as rental expenses, employee expenses and depreciation expenses were quite high. In addition, there were other variable expenses such as utilities expenses and property taxes so revenues from rent and service did not cover expenses. As a result, KCC recorded a net loss of Baht **(30.22)** million. In **2023**, KCC recorded a loss of Baht **(1.48)** million, decreased by Baht **28.73** million from **2022** due to the increase in revenue from rent and services and the substantial decrease in fixed expenses such as rental expenses and employee expenses.

Financial Position

Assets

In 2022, total assets were Baht 838.54 million, decreased by Baht 4.14 million from 2021 due to a decrease in investment property and depreciation of equipment. In 2023, total assets increased by Baht 5.32 million to Baht 843.86 million from the increase in other current assets.

Liabilities

In **2022**, total liabilities of KCC were Baht **390.81** million, increase by Baht **26.07** million from 2021, due to the increase in short-term loans from related companies, which are the main liabilities accounting for **96.72%** of total liabilities. In **2023**, total liabilities increased by Baht **6.81** million to Baht **397.62** million due to an increase in other current liabilities.

Shareholders' equity

Shareholders' equity of KCC continued to decline as a result of its operating loss in **2022 - 2023**. This led to an increase in retained losses and a decrease in shareholders' equity from Baht **477.94** million in **2021** to Baht **447.73** million in **2022** and Baht **446.24** million in **2023**.

Attachment 5

Hotel Industry and Retail Property Outlook

1. Thai Economy

The Thai Economy in Q3/2023 expanded by **1.5%**, compared with a growth of **1.8%** in the previous quarter. After seasonal adjustment, the economy in Q3/2023 expanded by **0.8%** from Q2/2023 (%Q-o-Q). In 9M/2023, the Thai economy grew by **1.9%** due to a solid growth of private consumption and expansion of private investment. However, export of goods, government consumption and public investment contracted. On the production side, accommodation and food service activities sector and transportation and storage sector showed strong expansions while agricultural sector, wholesale and retail trade, repair of motor vehicles and motorcycles sector, and construction sector expanded. On the other hand, manufacturing sector continued to contract.

The Office of the National Economic and Social Development Council (NESDC) projected the Thai economy in 2023 to expand by 2.5%, continuing from a 2.6% growth in 2022. Headline inflation is estimated to be at 1.4% and the current account is projected to record a surplus of 1.0% of GDP.

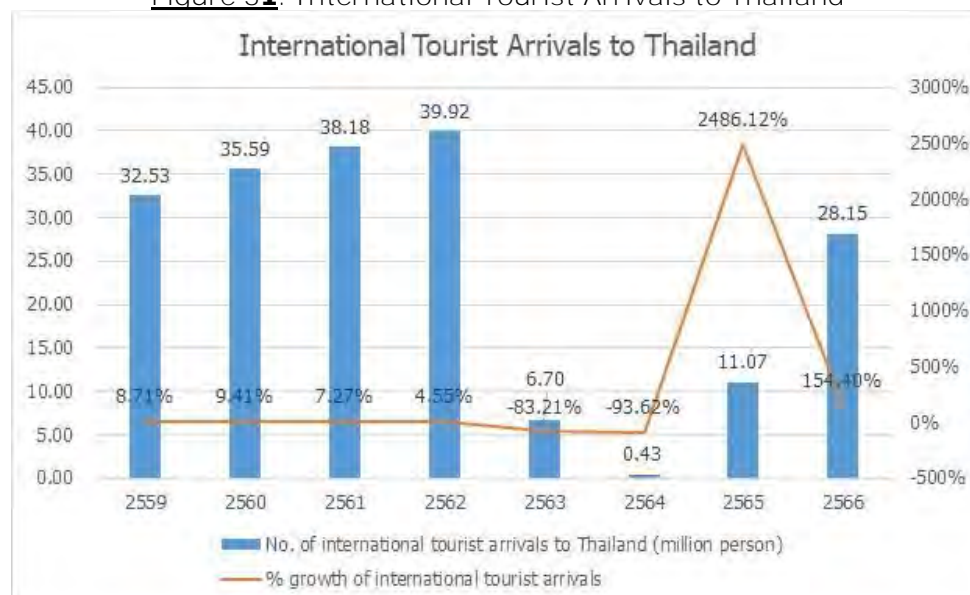
The Thai economy in 2024 is projected to expand in the range of 2.7% – 3.7% (with the midpoint projection of 3.2%). Key supporting factors include: (1) the return-to-expansion of exports; (2) the favorable growth of private consumption and investment; and (3) the continual recovery of tourism sector. Hence, private consumption and private investment are expected to increase by 3.2% and 2.8%, respectively. Meanwhile, export value of goods in USD terms is anticipated to expand by 3.8%. Headline inflation is estimated to be in the range of 1.7% – 2.7% and the current account is projected to record a surplus of 1.5% of GDP.

(Source: NESDC News Re: Thai Economic Performance in Q3/2023 and the outlook for 2023 - 2024)

2. Thailand Tourism Industry

After COVID-19 pandemic has been unraveled, Thai government has opened the country for tourists to welcome and stimulate Thai tourism. In 2022 – 2023, number of international tourist arrivals to Thailand has continued to strengthen. Number of international tourist arrivals to Thailand in 2022 and 2023 was 11.07 million and 24.84 million, respectively, increased by 2,486.12% and 180.63% from the same period of prior year. *(Please refer to Figure 31)* However, number of international tourist arrivals to Thailand is still lower than pre COVID-19 level by almost 40 million tourist arrivals.

Figure 31: International Tourist Arrivals to Thailand



Source: Ministry of Tourism & Sports

Remark: Major events affecting **Thailand's tourism**

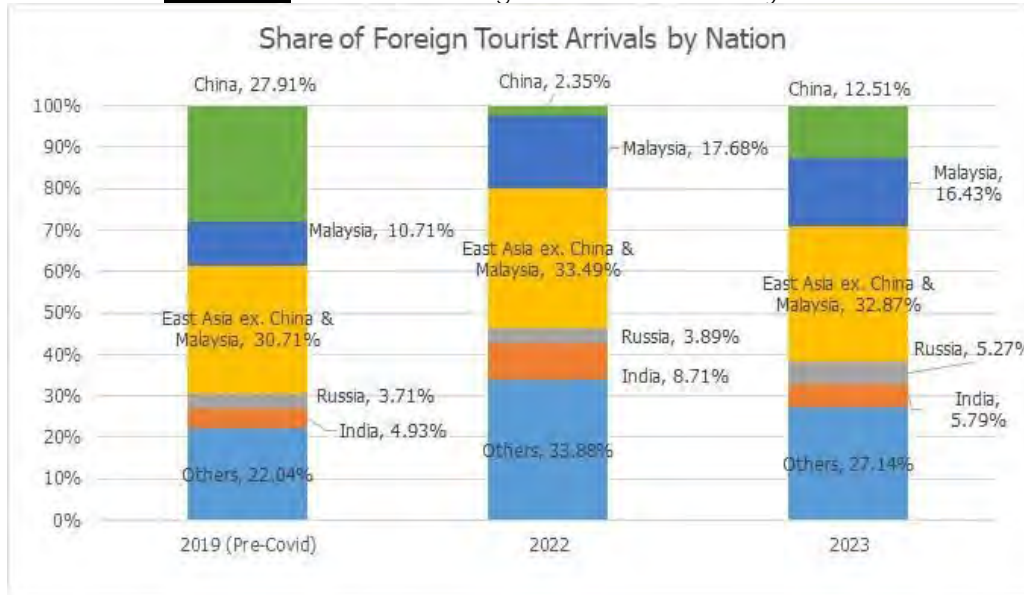
2020 - 2024: Travel restriction measures to contain the COVID-19 pandemic

The international tourists are from various nationalities. The main groups of tourists are Chinese, Malaysian, and East Asian, which accounted for approximately 70% of total number of

international tourists before the COVID-19 pandemic. However, the proportion of Chinese tourists in 2023 is still lower than the pre-COVID-19 level due to the slowdown of the Chinese economy, the bankruptcy of real estate companies, rising unemployment, and people’s reluctance to spend, which has led to a decrease in demand for outbound travel. In addition, the Chinese government has placed more emphasis on stimulating domestic tourism (Please refer to Figure 32)

The Bank of Thailand has forecasted number of international tourist arrivals around 34.5 million persons and 39 million persons in 2024 and 2025, respectively, which almost reach pre COVID-19 level.

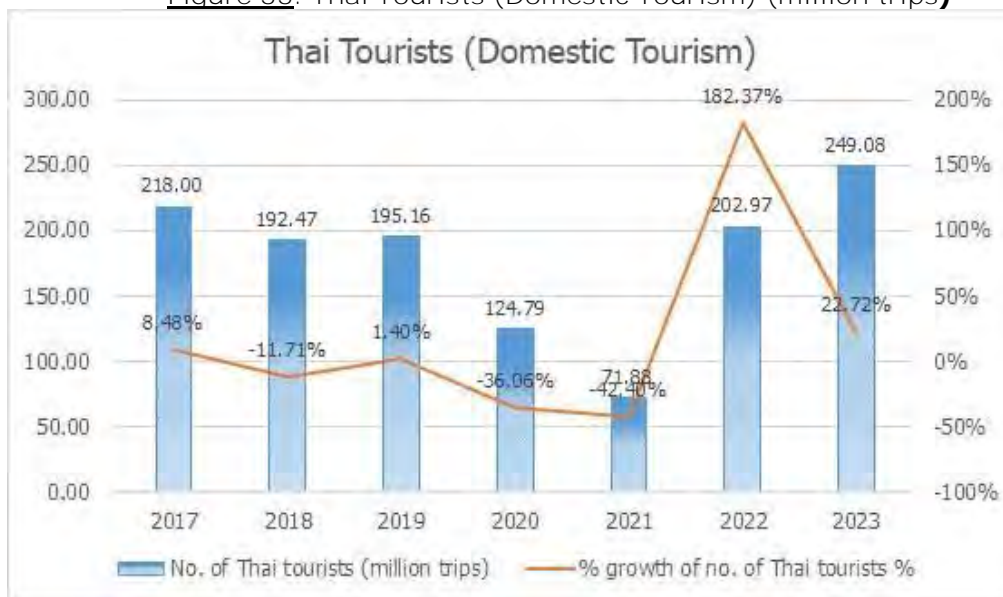
Figure 32: Share of Foreign Tourist Arrivals by Nation



Source: Ministry of Tourism & Sports and the Bank of Thailand

Thai tourists or domestic tourism market increased in 2022 and 2023 to a total of 202.97 million trips and 249.08 million trips, respectively, or increased by 182.37% and 22.72% from the same period of prior year.

Figure 33: Thai Tourists (Domestic Tourism) (million trips)



Source: Ministry of Tourism & Sports

TTB Analytics predicted Thailand’s tourism revenue of approximately Baht 2.75 trillion in 2024 as domestic tourism fully recovers in term of revenue. However, for foreign tourists, it is expected that Chinese tourists will only return to 52% of normal level due to domestic economic pressure and change

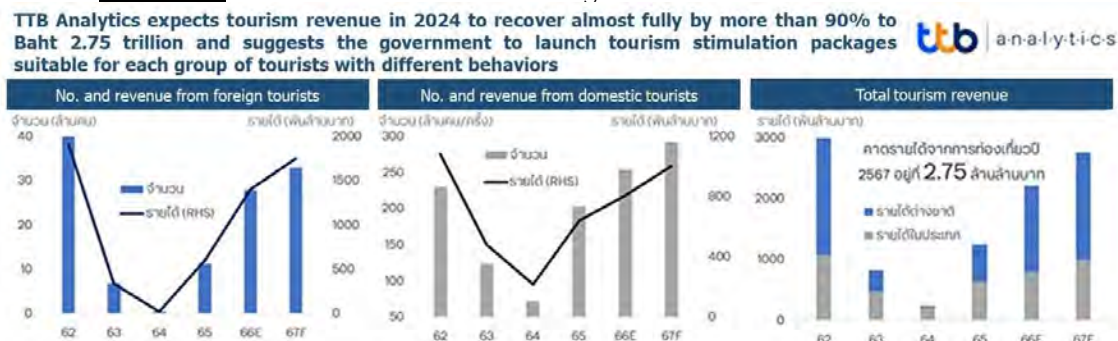
in travel behavior according to ages and income levels. TTB Analytics suggested the government to launch tourism stimulation packages suitable for each group of tourists with different behaviors.

Year 2023 was a success year for domestic tourism in term of number of domestic tourists reaching 254.4 million trips, of which generating a revenue of approximately Baht 0.8 trillion. Besides, number of foreign tourists and the tourism revenue reached the target of 28 million tourist arrivals and Baht 1.14 trillion, respectively, as expected by TTB Analytics. Consequently, tourism industry generated tourism revenue to the country over Baht 2.2 trillion or approximately 73% of the maximum historical statistic of Baht 3 trillion in 2019. However, the tourism revenue of 2023 has missed the government's target by approximately Baht 0.2 trillion from the target of Baht 2.4 trillion.

Although the tourism revenue has missed the target in the last year, the government expects number of foreign tourist arrivals in 2024 to reach 40 million persons and generates a tourism revenue of over Baht 2.5 trillion. Tourism revenue expects to reach Baht 3.5 trillion when combining with domestic tourism revenue, or equivalent to 60% growth even when the target revenue of last year missed the target by approximately 10%. TTB Analytics views that the tourism revenue will be approximately Baht 2.75 trillion in 2024, supporting by the following details:

- (1) Thai tourists: TTB Analytics estimates that in 2024, domestic tourism can still make history as the second consecutive year from 2023, with the number of tourists expected to reach 292.1 million trips (with the behavior of tourists spending less per trip due to the high cost of living and financial burden). The trends of Thai tourism will be (a) one-day trip, (b) travel to secondary cities with lower costs than main cities, such as Chiang Rai, Nan, Phrae, Satun, and Narathiwat, and (c) reduction of the number of nights spent, especially in a remote province.
- (2) Foreign tourist: In 2024, it is expected that foreign tourist arrivals will be 33.1 million persons and generate over Baht 1.75 trillion of tourism revenue. The average spending per trip is expected to increase from the adjustment of accommodation prices to accommodate demand and the increasing trend of longer traveling period. Non-Chinese travelers are expected to return to near pre COVID-19 level. However, the challenge is that the return of Chinese travelers is expected at 5.7 million persons or around 52% compared to the pre COVID-19 level.

Figure 34. Number of Thai and Foreign Tourists and Tourism Revenue



Source: TTB Analytics, TMB Thanachart Bank Public Company Limited: TTB Analytics expects tourism revenue in 2024 to recover almost fully by more than 90% to Baht 2.75 trillion, January 15, 2024 (<https://www.ttbank.com/th/newsroom/detail/ttb-tourism-income-2024>)

3. Luxury Hotel Business in Bangkok

The hotel industry is directly related to the tourism sector both from growing number of international tourist arrivals and domestic tourists. In 2019, hotels and restaurants combined accounted around 10% of Thai GDP. Thailand is a top tourist destination because of the world-class tourism attractions spread throughout the country with Bangkok as a major popular tourist attraction. The country benefits from competitively-priced accommodation and low cost of living which, when **compared to other countries, is considered good value for money. Besides, the country's constantly improved infrastructure and extensive communications network makes travel becomes more convenient.**

Number of guest arrivals at accommodations in Bangkok in 2019 (Pre-COVID-19 pandemic) was approximately 36.41 million persons (comprised of 13.68 million Thai tourists and 22.72 million international tourists), increased by 1.67% from 2018. Number of guest arrivals at accommodations in Bangkok in 2020 – 2021 dropped to 12.14 million and 4.57 million, respectively, or decreased by 66.64%

and 62.40% from the same period of prior year. However, number of guest arrivals at accommodations in Bangkok in 2022 and January – November 2023 increased to 17.19 million and 28.46 million, respectively, but remained lower than pre-pandemic level. (Please refer to Figure 35)

The occupancy rate in 2019 was 82.20%, while the occupancy rate in 2020 – 2021 was 27.03% and 13.04%, respectively, as a result from traveling restriction and COVID-19 control measures.

The occupancy rate in 2022 and 2023 improved to 46.59% and 76.73%, respectively, but remained lower than pre-pandemic level.

Figure 35: Number of Guest Arrivals at Accommodations* – Bangkok



Source: Ministry of Tourism & Sports

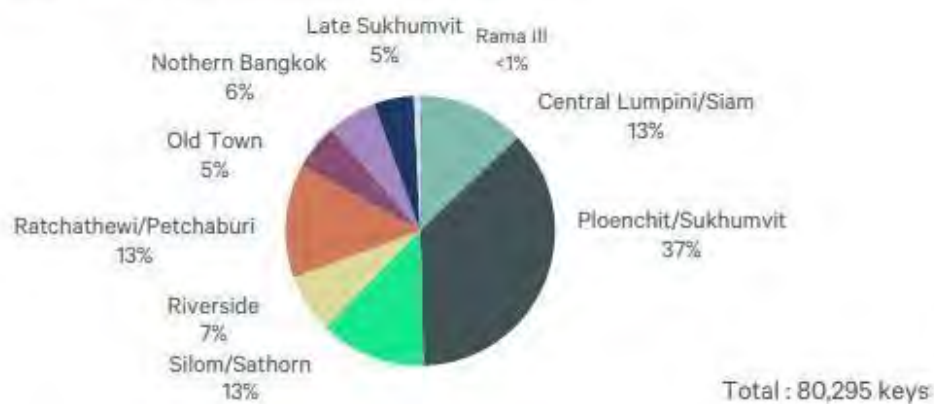
Remark: * Number of guest arrivals at accommodations included guest arrivals at hotels, resorts, and others in Bangkok.

▪ Supply for luxury hotel in Bangkok

According to Smith Travel Research (STR), the occupancy rate of Bangkok hotels in Q4/2023 was 72.4%, increased by 5.7% Y-o-Y and 1.3% Q-o-Q. Average Daily Rate (ADR) was Baht 4,204, increased by 5.1% Y-o-Y and 8.4% Q-o-Q. Revenue per Available Room (RevPAR) was Baht 3,058, increased by 14.3% Y-o-Y and 10.7% Q-o-Q.

Figure 36: Bangkok Hotel Supply by Area

FIGURE 2: Q4 2023 Bangkok Hotel Supply by Area



Source: CBRE Research, Q4 2023

Source: Bangkok Hotel, Q4/2023 prepared by CBRE Research

Number of hotel rooms was 80,295 rooms in Q4/2023. The Ploenchit/Sukhumvit areas are the location with the highest number of hotel rooms, accounting for 37% of total supply. The mid-range class dominated the market with 49% of the total hotel supply, followed by the first class at 23%, luxury at 17%, and economy at 11%.

By 2026, CBRE forecasts the addition of 7,556 rooms to 87,851 rooms, representing an increase of 9.6%.

CBRE forecasts that international tourist arrivals should be able to reach the target of 25 – 30 million by the end of 2024. The short-haul market continues to dominate as the key feeder market with increasing flight capacity continuing to add momentum. In addition, the government has introduced a visa-free entry for tourists from China and Kazakhstan, starting from September 25, 2023 throughout February 29, 2024.

(Source: Bangkok Overall/Q3-2023, Hotel and Industrial Sectors Outshine other markets as uneven recovery continues, prepared by CBRE)

- Occupancy rate of luxury hotels in Bangkok

Average occupancy rate of luxury hotels in Bangkok as of the 1H/2023 was approximately 58%, which remained lower than pre-pandemic level of approximately 75%. (Please refer to Figure 37)

Figure 37: Bangkok Hotel Occupancy Rate
Bangkok Hotel Occupancy rate (%) | 2012 – 2023 H1



Source: STR, Colliers Thailand

- Average Room Rate: ARR

Before the outbreak of COVID-19, Bangkok's hotel ARR across all segments witnessed and annual increased of at least 2.0% p.a. (CAGR from 2012 – 2019). However, the pandemic severely impacted the ADR of luxury hotels to drop to Baht 3,600 per night per room, upscale hotels to Baht 2,000 per night and midscale hotels to Baht 1,400 per night.

In 1H/2023, there was a market recovery in the ADR, especially among chain-operated hotels. **The luxury segment's ADR rebounded to approximately Baht 6,580 per night, upscale hotels to Baht 3,522 per night, and midscale hotels to Baht 2,060 per night.** (Please refer to Figure 38)

The Revenue per Available Room (RevPAR) in 1H/2023 showed signs of recovery, with the **luxury segment leading the resurgence. The luxury segment's RevPAR stands at approximately Baht 3,700, trailed by the upscale segment at approximately Baht 2,400, and the midscale at approximately Baht 1,400.** During the Covid-19 pandemic, RevPAR experienced a sharp drop of nearly 80%, compared to pre-pandemic level. Colliers expect that RevPAR levels to reach 2019 levels in the next 6 – 8 months. (Please refer to Figure 39)

Figure 38: Bangkok Hotel Average Daily Rate (ADR)

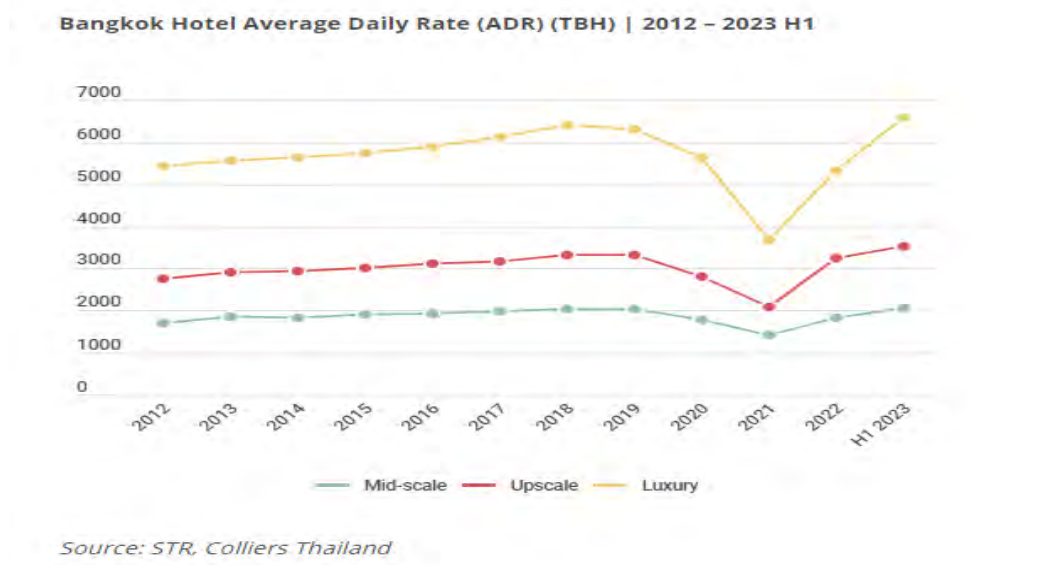
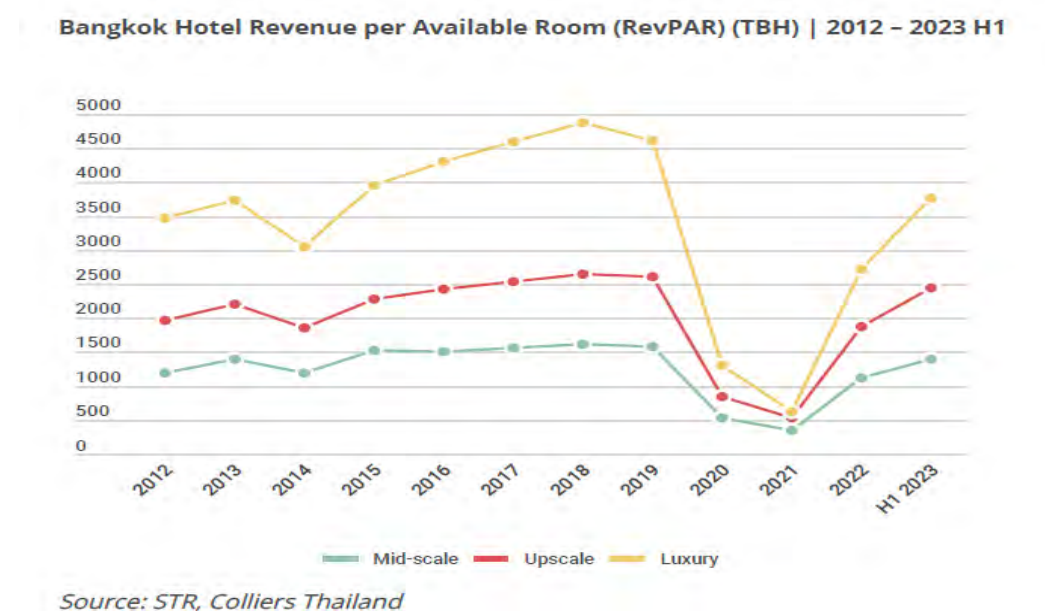


Figure 39: Bangkok Luxury Hotel Revenue per Available Room (RevPAR)



(Source: A Bright Outlook | Thailand hotel market update: November 2023, prepared by Colliers Thailand)

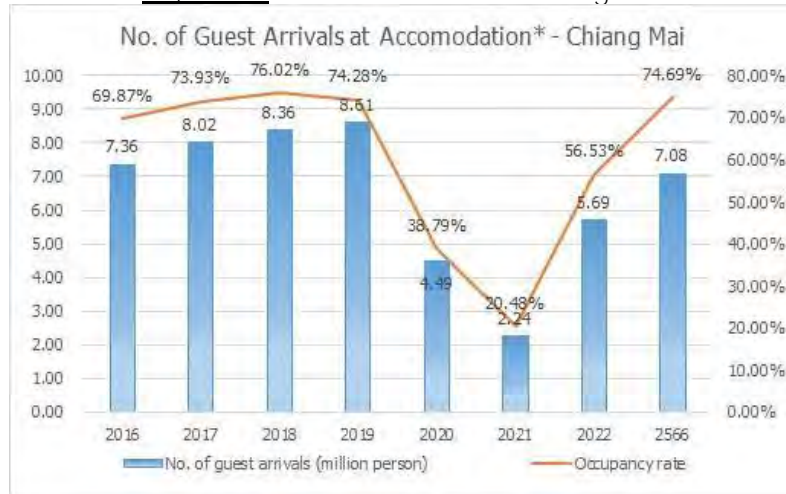
4. Hotel Business in Chiang Mai

In 2023, number of visitors to Chiang Mai reached 10.68 million (comprised of **7.76** million Thai tourists and **2.92** million international tourists), increased by **21.72%** Y-o-Y. Chiang Mai's tourism revenue was approximately Baht 89.19 billion, increased by **49.45%** Y-o-Y. (Please refer to Figure 40) Total number of visitors to Chiang Mai closed to pre COVID-19 level, but number of international tourists still behind pre-pandemic level.

Tourism Authority of Thailand (TAT) plans to promote Northern and Chiang Mai tourism in 2024 under the concept of Chiang Mai the Greatest Change, with a target visitor of not less than 40 million **person/trip in 2024 and total revenue of not less than Baht 1,860 billion**. TAT's Northern Office has determined direction to promote Northern tourism in 2024 to provide a northern travel experience combined with north nostalgia and contemporize through Northern Thailand Soft Power, namely, Amazing Northern Lifestyle which will present products under Northern Thailand Soft Power concept in order to stimulate spending, Amazing Northern Festival during March – September (off peak season with low occupancy rate) which will present products and services in term of event marketing in relation to beliefs and faith to inspire a living, and Amazing Northern Mueang Rong which will present travel

experience in the secondary city and areas through culture identity, way of life, local food and traveling activities including offering of products under **the concept of "North Nostalgia", and driving routes** connecting northern region in each season. The target groups are lady, Gen Y, high-purchasing power customers, and lively seniors. (Source: <https://radiochiangmai.prd.go.th/th/content/category/detail/id/57/iid/221129>)

Figure 40: No. of Visitors to Chiang Mai



Source: Ministry of Tourism & Sports

The number of guest arrivals at accommodations in 2015 – 2019 had been continuously improved with total number of guest arrivals at accommodations of 8.61 million in 2019. However, in 2020 – 2021, number of guest arrivals at accommodations decreased drastically to 4.49 million and 2.24 million, respectively due to COVID-19 pandemic and the lockdown.

The occupancy rate in 2023 improved to 74.69%, close to the pre-pandemic level in 2019.

Figure 41: Number of Guest Arrivals at Accommodation* – Chiang Mai



Source: Ministry of Tourism & Sports

Remark: * Number of guest arrivals at accommodations included guest arrivals at hotels, resorts, and other.

5. Retail Rental Market

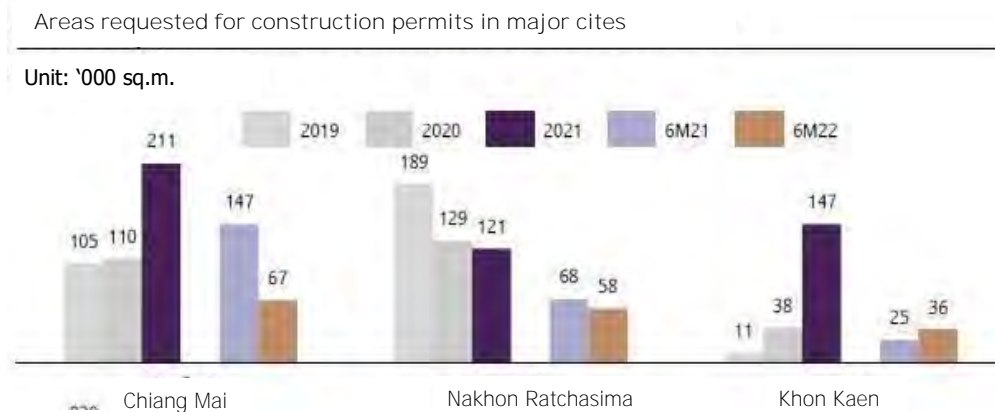
The retail rental market in **2024** is expected to continue to expand gradually, following the new supply that is expected to continue to increase from **2023**. Most of the projects to be completed are large projects that tend to attract tenants well. While the domestic purchasing power situation is also expected to recover, coupled with the return of foreign tourists, the traffic in many projects is still dense. However, it is still necessary to monitor the household debt situation and the high level of expenses, which may pressure the purchasing power of the vulnerable group.

Average rent rate improved slightly and closed to the rent rate of prior year. The rent rate has improved gradually from the recovery of purchasing power and higher costs of operators after the great contracted during the COVID-19.

Key factors effecting retail rental business are as follows:

- Increase of supply in the future: Retail space in upcountry becomes more competitive due to the expansion of large operators. The areas requested for construction permits in major cities have improved since 2021, reflecting the increasing of retail space for rent in the near future. Factors to monitor are purchasing power in the area and the return of tourists, which will support the growth of retail market and the occupancy rate of retail space in the future. *(Please refer to Figure 42)*

Figure 42: Areas Requested for Construction Permits in Chiang Mai



Source: Industry outlook for office and retail space rental in 2023, prepared by SCB Economic Intelligence Center

- E-commerce and consumer behaviors after COVID-19: It is expected that consumers still use E-commerce platform for purchasing of products in some categories such as non-general consumer goods due to the convenience in shopping coupled with many stores offer both in-store and online shopping. This is expected to be another important factor that may still affect the expansion of the retail rental market in the future
- The pressure from ESG trend: Such pressure is increasingly affecting business. Operators need to start adapting both in term of construction and building operations to avoid impact to environment and to manage energy usage efficiently.

Source: Industry outlook for office and retail space rental in 2023 and 2024, prepared by SCB Economic Intelligence Center