

Opinion of Independent Financial Advisor

on the Request for Waiver from Mandatory Tender Offer by Using the Resolutions
of Shareholder's Meeting (Whitewash) and Related Party Transaction

Of



Finansa Public Company Limited

Prepared by



I V Global Securities Public Company Limited

27 September 2018

Table of Content

	Page
Introduction	1
Executive Summary	3
1. The Request for Waiver from Mandatory Tender Offer by Using the Resolutions of Shareholder's Meeting (Whitewash) of Finansa Public Company Limited	11
1.1 Characteristics and Details of the Transaction	11
1.1.1 Characteristics of the relevant securities and the securities offered to the waiver requester	12
1.1.2 General information of the waiver requester	13
1.1.3 Information of the securities issuer	13
1.2 Opinions of the IFA on Whitewash Waiver from the Requirement to Make Tender Offer for Company's securities	15
1.2.1 Opinion on the Business Management Policy and Plan as Proposed by the Waiver Requester	15
1.2.2 Total Voting Right that the Waiver Requester would be Entitled to After the Acquisition of Securities and to be Entitled To in the Future Without Tender Offer Requirement	18
1.2.3 Potential Impacts on the Shareholders	20
1.2.4 Benefits Obtainable by the Company from Approval of the Transaction	23
1.2.5 Risks Involved with Failure to Obtain Approval for the Whitewash Waiver	24
1.2.6 Conditions of Whitewash	25
1.3 Appropriateness of the Offering Price of Newly Issued Shares to the waiver requester	27
1.3.1 Book Value Approach	28
1.3.2 Adjusted Book Value Approach	28
1.3.3 Volume Weighted Average Price Approach	29
1.3.4 Market Comparable Approach	30
1.3.5 Discounted Cash Flow Approach	32
1.3.6 Summary of Appropriateness of the Offering Price of Newly Issued Shares	48
1.4 The completeness and accuracy of the list of names and the number of shares held by the waiver requester's related person as per Article 258	51
1.5 Conclusion of IFA Opinion on waiver from mandatory tender offer by using the resolutions of shareholders' meeting (Whitewash)	51
2. The Connected Transaction	53
2.1 Characteristics and Details of the Connected Transaction	53
2.1.1 Objective and Information of the Transaction	53
2.1.2 Date of Transaction	54

2.1.3	Details of Connected Person	54
2.1.4	Type and Transaction Size	55
2.1.5	Total Value of Consideration and Payment Method	56
2.1.6	Summary Information of Finansia Public Company Limited	56
2.2	Opinions of the IFA on Reasonableness of Connect Transaction	57
2.2.1	Objectives of the Transaction	57
2.2.2	Advantages and Disadvantages of Entering into the Transaction	57
	(1) Advantages of Entering into the Transaction	57
	(2) Disadvantages of Entering into the Transaction	61
2.2.3	Comparison between Advantages and Disadvantages of Entering into the Transaction with Connected Person and the Transaction with Third Party	62
	(1) Comparison between Advantages and Disadvantages of Entering into the Transaction with the Connected Person	62
	(2) Comparison between Advantages and Disadvantages of Entering into the Transaction with Third Party	66
2.3	Risks from Entering into the Transaction	67
2.4	Fairness of Price and Conditions of Transaction	70
2.5	Conclusion of IFA's Opinion on Connected Transaction	72
3.	Conclusion of the Independent Financial Advisor's opinion	75
Attachment 1	Overview of business operations and operating performance of Finansia Public Company Limited ("Company" or "Business" "FNS")	
Attachment 2	The valuation of fair value of Finansia Syrus Securities Public Company Limited ("FSS") by using Discounted Cash Flow Approach	
Attachment 3	The valuation of fair value of M.K. Real Estate Development Public Company Limited ("MK") by using Discounted Cash Flow Approach	
Attachment 4	The valuation of fair value of NEO Corporate Company Limited ("NEO") by using Discounted Cash Flow Approach	
Attachment 5	The valuation of fair value of FB Foodservice (2017) Company Limited ("FB") by using Discounted Cash Flow Approach	

GLOSSARY

Abbreviation	Meaning
SEC	The Securities and Exchange Commission
SET	The Stock Exchange of Thailand
Notifications on Connected Transaction	The Notification of the Capital Market Supervisory Board No. ThorChor. 21/ 2008 re: Rules on Entering into Connected Transactions, dated August 31, 2008 (as amended), and Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and other Acts of Listed Companies Concerning the Connected Transactions, B.E. 2546 (2003) , dated November 19, 2003 (as amended)
Notifications on whitewash	The Notification of the Office of Securities and Exchange Commission No. SorKor. 29/2018 re: Guideline on Waiver for Mandatory Tender Offer by Using the Resolution of Shareholders' Meeting (Whitewash)
"The waiver requester" or "Mr. Vorasit"	Mr.Vorasit Pokachaiyapat, and (a) a related person as per Article 258 of the waiver requester (b) a concert party of the waiver requester (c) a related person as per Article 258 of the person in (b)
"Right Offering" or "RO"	The issuance and allotment of new ordinary shares to existing shareholders proportionate to their shareholding
"Independent Financial Advisor" or "IVG"	I V Global Securities Public Company Limited
"Company" or "Business" or "FNS"	Finansa Public Company Limited
Form 247-7	Request Form for Shareholders' Meeting Resolution to Approve Acquisition of New Securities without Requirement to Make a Tender Offer for All Securities of the Business
"FSS"	Finansia Syrus Securities Public Company Limited
"FSL"	Finansa Securities Company Limited
"FAM"	Finansa Asset Management Company Limited
"FFM"	Finansa Fund Management Company Limited
"FC"	Finansa Capital Company Limited
"FSI"	FSS International Investment Advisory Securities Company Limited
"MK"	M.K. Real Estate Development Public Company Limited
"FCAM"	Finansa (Cambodia) Company Limited (no operate)
"FSSIA"	FSS International Investment Advisory Securities Company Limited
"FHK"	Finansa Hong Kong Company Limited (no operate)
"PD"	Prospect Development Company Limited
"SIP"	Siam Investment Partner, L.P. (during liquidation)

Ref: IB 87/2561

September 27, 2018

Re: Opinion of Independent Financial Advisor on the Request for Waiver from Mandatory Tender Offer by Using the Resolutions of Shareholder's Meeting (Whitewash) and Related Party Transaction of Finansa Public Company Limited

To: The Audit Committee and Shareholders of
Finansa Public Company Limited

Attachment: 1) Overview of business operations and operating performance of Finansa Public Company Limited
2) The valuation of fair value of Finansia Syrus Securities Public Company Limited ("FSS") by using Discounted Cash Flow Approach
3) The valuation of fair value of M.K. Real Estate Development Public Company Limited ("MK") by using Discounted Cash Flow Approach
4) The valuation of fair value of NEO Corporate Company Limited ("NEO") by using Discounted Cash Flow Approach
5) The valuation of fair value of FB Foodservice (2017) Company Limited ("FB") by using Discounted Cash Flow Approach

References: 1) the resolution of the Board of Directors' Meeting No. 5/2018 held on August 23, 2018
2) The Capital Increase Report Form (F 53-4) dated 23 September 2018
3) Details pertaining to the Request for Waiver from Mandatory Tender Offer Obligation (Whitewash)
4) Information Memorandum of Finansa Public Company Limited re: Connected Transaction
5) Annual Registration Statements (Form 56-1) of Finansa Public Company Limited as of 31 December 2017
6) Financial statement of Finansa Public Company Limited audited or reviewed by the auditor for the year ended 31 December 2015 – 2017 and for the 6-month period ended 30 June 2018
7) Financial statement of subsidiary and associated company of Finansa Public Company Limited audited or reviewed by the auditor for the year ended 31 December 2015 – 2017 and for the 6-month period ended 30 June 2018
8) Company affidavit, Memorandum of Association, relevant information, documents and management's interview from Finansa Public Company Limited and its subsidiary

Disclaimers:

The result of the study by I V Global Securities Public Company Limited (“Independent Financial Advisor” or “IFA”) in this report (or the “IFA Report”) is based on the information and assumptions provided by the executive of Finansa Public Company Limited, and the information disclosed to the public through the website of the Securities and Exchange Commission of Thailand (the “SEC”) (www.sec.or.th), the Stock Exchange of Thailand (the “SET”) (www.set.or.th), and Business Online Public Company Limited (www.bol.co.th).

The opinion of the IFA in this report is based on the assumptions that all the information and documents received are accurate and complete, and reflects the operating environment and most up-to-date information at the time of issuance of this report. However, there may be any incident having material impact on the Company’s business operations and plans, as well as decision of the shareholders. The Independent Financial Advisor expresses its opinion under the current circumstance. If there is a significant change in the circumstance or any information, the result of the study may be affected. The IFA shall not be responsible for the profits or the losses and any impacts resulting from this transaction.

In rendering its opinion in this report, the IFA has considered the reasonableness of conditions of the transaction as well as other related factors thoroughly and rationally in accordance with the professional judgments.

The Attachment of this IFA report is the part of IFA’s opinion, audit committee and shareholders of the Company should consider the attachment together with the report.

Executive Summary

According to Board of Directors' Meeting No. 5/2018 on August 23, 2018, Notification of Changing Extraordinary General Meeting No. 1/2018 dated August 31, 201, and the amendment, the resolution proposed to shareholders' meeting to approve the increase in the Company's registered capital from Baht 1,235,198,000 or 247,039,600 shares with a par value of Baht 5.00 per share to Baht 1,729,277,200 or 354,855,440 shares with a par value of Baht 5.00 per share by issuing 98,815,840 new ordinary shares with a par value of Baht 5.00 per share, or totaling increase of Baht 494,079,200, to offer and sell to existing shareholders proportionate to their shareholding (Right Offering) at an offering ratio of 2.5 old shares to 1 new ordinary share, in which the fraction of shares shall be disregarded, at an offering price of Baht 5.00 per share, totaling Baht 494,079,200.

Furthermore, the Board of Directors' Meeting approved to propose to the Extraordinary General Meeting of Shareholders to consider and approve the waiver from mandatory tender offer by using the resolution of shareholders' meeting (Whitewash) due to the increase in registered capital of the Company, Mr. Vorasit Pokachaiyapat, a managing director and existing shareholder, has submitted the letter to the meeting expressing that Mr. Vorasit Pokachaiyapat and his related person as per Article 258 M.L. Suddhiman Pokachaiyapat ("Mr. Vorasit group" or "the waiver requester") has intention to subscribe and oversubscribe for new ordinary shares in a total amount of not exceeding 98,815,840 shares, consisting of 18,102,742 shares from RO allotment and 80,713,098 shares from oversubscription allotment.

In this regard, assuming that there is no other oversubscribing shareholder, whilst Mr. Vorasit group exercises the rights to oversubscribe for shares in an amount as mentioned above, the maximum number of shares to be allotted to Mr. Vorasit group would be 98,815,840 shares, which is equal to the total number of new ordinary shares offered in this occasion. As a result, the shareholding percentage and voting rights of Mr. Vorasit group in the Company would increase to not exceeding 41.66%, passing the threshold shareholding percentage at 25% for the obligation to mandatory tender offer, which would cause Mr. Vorasit group to have duties to comply with the mandatory tender offer obligation. However, Mr. Vorasit group intends to request for a waiver for mandatory tender offer in accordance with the Notification of the Office of Securities and Exchange Commission No. SorKor. 29/2018 re: Guideline on the Request for Waiver from Mandatory Tender Offer by Using the Resolutions of Shareholders' Meeting (Whitewash). To obtain such waiver, it is required to comply with the applicable notification, and the shareholders' meeting shall resolve to approve the offering and sale of new ordinary shares of the Company to the waiver requester including the waiver granted to requester from mandatory tender offer obligation arising from the receipt of shares following such approved transaction with a vote of no less than three-fourth of total votes of the shareholders who attend the meeting and are entitled to vote. When counting the votes for such agenda and the total votes of shareholders who are entitled to vote for such agenda, the voting rights of the following persons shall be excluded from the calculation:

- (a) a related person as per Article 258 of the waiver requester
- (b) a concert party of the waiver requester

(c) a related person as per Article 258 of the person in (b)

Moreover, the oversubscription of shares by Mr.Vorasit group as abovementioned is considered the transaction with a connected person in accordance with Notification of the Capital Market Supervisory Board No. ThorChor. 21/2008 re: Rules on Entering into Connected Transactions, dated August 31, 2008 (as amended), and Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and other Acts of Listed Companies Concerning the Connected Transactions, B.E. 2546 (2003), dated November 19, 2003 (as amended) ("**Notifications on Connected Transaction**"). Such transaction is considered the connected transaction in category of assets or services, whose transaction size calculated from the maximum value of the transaction is 35.22 percent of net tangible assets of the Company, based on the consolidated financial statement of the Company as of June 30, 2018; and the Company has no other connected transactions during the six-month period prior to the Board of Directors' Meeting resolving to propose to the shareholders to approve the entering into this transaction. This transaction is considered a transaction with the transaction size of more than 3% of net tangible assets of the Company. Therefore, the Company has the duties to disclose the information on the connected transaction to the Stock Exchange of Thailand (the "SET"), to appoint an independent financial advisor, and to hold a shareholders meeting to approve the entering into such transaction, of which the resolution of shareholders' meeting to approve this transaction shall be no less than three-fourths of the total votes from shareholders who attend the meeting and are entitled to vote, excluding the votes from shareholders with interests therein.

The waiver for mandatory tender offer by the waiver requester is under important conditions that (1) approval of the issuance and allotment of new ordinary shares (2) approval of the Request for Waiver from Mandatory Tender Offer by Using the Resolutions of Shareholder's Meeting (Whitewash) and (3) approval of connected party transaction. Since condition 1 to condition 3 are interrelated and conditional to one another, if the Extraordinary General Meeting of Shareholders does not approve any of those condition, the next relevant condition shall not be presented to the Extraordinary General Meeting of Shareholders No.1/2018 for further consideration, whilst the condition that had been approved prior to disapproval on such condition shall be deemed cancelled.

The FNS Board of Director meeting No. 5/2018 dated on 23 August 2018 and notice of change of Extraordinary General Meeting of shareholders No.1/2018 dated 31 August 2018 and the amendment have resolved to propose to Extraordinary General Meeting No.1/2018, scheduled on 22 October 2018, to consider the transaction for approval. The company has structured the agenda related to capital increase, the waiver from mandatory tender offer (whitewash), and the connected transaction as follows:

- | | |
|----------|---|
| Agenda 2 | To consider and approve the increase in registered capital of the Company |
| Agenda 3 | To consider and approve the amendment of Article 4 of the Memorandum of Association to be consistent with the increase in registered capital of the Company |

- Agenda 4 To consider and approve the issuing and offering new ordinary shares to existing shareholders proportionate to their shareholding (Right Offering)
- Agenda 5 To consider and approve the waiver from mandatory tender offer by using the resolution of the shareholders' meeting (Whitewash)
- Agenda 6 To consider and approve the entering into transaction with a connected person

Since Agenda 2 to Agenda 6 are interrelated and conditional to one another, if the Extraordinary General Meeting of Shareholders No.1/2018 does not approve any of those Agenda, the next relevant Agenda shall not be presented to the Extraordinary General Meeting of Shareholders No.1/2018 for further consideration, whilst the Agenda that had been approved prior to disapproval on such Agenda shall be deemed cancelled.

The company structured the agendas to be interrelated to ensure that the company can raise fund for investment expansion as planned and with full amount, thus all shareholders are able to oversubscribe the shares. Moreover, MR. Vorasit's intention of shares oversubscription can increase the certainty that the issuance of new shares for right offering can raise fund within specified period and with full amount as planned.

The intention of oversubscription the allotment by Mr. Vorasit Pokachaiyapat causes the company to enter the transaction of waiver from mandatory tender offer by using the shareholders' meeting resolution (Whitewash) as per Agenda 5 and entering into transaction with a connected person as per Agenda 6, thus the shareholders meeting must consider the resolution of capital increase and other related agendas simultaneously.

On the other hands, If each agenda is not interrelated, the shareholders will have more flexibility to consider the agenda independently; however, there are risks of unable to achieve fundraising result as planned and/or the amount of fund is insufficient, causing the company to consider another capital increase to fulfill the insufficiency or consider borrowing as another source of fund.

Nonetheless, in deciding whether to approve or disapprove the said Transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders' individual judgment.

I V Global Securities Public Company Limited as the Independent Financial Advisor of the Company hereby certifies that we have study and analyze the data that provided by the professional standard and on the opinion fairly using independent professional judgments, by placing the interest of the shareholders at the utmost importance

The Opinion of Independent Financial Advisor on the Request for Waiver from Mandatory Tender Offer by Using the Resolutions of Shareholder's Meeting (Whitewash)

The Independent Financial Advisor has an opinion that the issuance and offering of newly issued ordinary shares of the Company in the amount of 98,815,840 shares to the existing shareholders in proportion to their shareholding (Right Offering) in which the waiver requester, as a major shareholder and a managing director of the Company has the intention to oversubscribe for newly issued ordinary shares in the total amount of not exceeding 98,815,840 shares or Baht 494,079,200. Subscription method, payment, and procedure of newly issued ordinary shares allotment of the waiver requester are not different from other shareholders. The subscription of newly issued ordinary shares in excess of the rights of the waiver requester will ensure that the Company will be able to raise capital as expected in the amount of not exceeding Baht 494,079,200, which is the sufficient amount to support the use of funds of the Company.

The waiver requester has specified in "the Request Form for Shareholders' Meeting Resolution to Approve Acquisition of New Securities without Requirement to Make a Tender Offer for All Securities of the Business" (Form 247-7) that the waiver requester may consider to change policies or company business plan as deemed appropriate for interest of the company and subsidiaries. Besides aforementioned change, the waiver requester has no other plans to change significantly.

IFA opined that the company won't be affected by changes in policies and business operation significantly correspondent to the business plan or policy specified by waiver requester since the company will continue the operation as usual, and the waiver requester has no plan to change the business objectives, other policies, board of directors, and management structure, additionally the waiver requester is major shareholder, director, and management since before the transaction of 'request for waiver of tender offer for all securities'. The list of Board of Directors as of September 13, 2018 and the list after right offering transaction are expected not to change significantly.

The effect after entering into the transaction including control dilution, based on the assumption that there is no existing shareholder exercising their rights to subscribe for the entire newly issued ordinary shares, the voting right or control dilution will decrease for the amount of 28.57%; moreover, all shareholders will be affected by the earning dilution either they respond the right offering or not, while all shareholders won't be affected from price dilution since the baht 5.00 per share of the offering price is higher than 7-day average of FNS volume weighted average price prior to Board of Director meeting, which is baht 4.17 per share¹

The effect of Control Dilution Earnings Dilution and Price Dilutions is summarized as follows:

Effect	If shareholders exercise the right offering	If shareholders do not exercise the right offering
Control Dilution	No effect	Decrease 28.57%
Earnings Dilution	Decrease 28.57%	Decrease 28.57%

¹ Calculated from FNS 7-day average of Volume Weighted Average Price since 14 August – 22 August 2018

Effect	If shareholders exercise the right offering	If shareholders do not exercise the right offering
Price Dilution	No effect	No effect

Remark: For more details, please refer to section 1.2.3 Effect of the Share Offering on Shareholders of this IFA report

Moreover, In the event that there is no existing shareholder exercising the rights to subscribe for newly issued ordinary shares in proportion to their shareholding (Right Offering) and the waiver requester, including the related persons as per Article 258 of the waiver requester exercise their rights to subscribe for the entire newly issued ordinary shares, shareholding of the waiver requester based on the above assumptions will be equal to 41.66 percent of the total number of issued shares and the total voting rights of the Company. Such shareholding is a significant shareholding although the waiver requester will not be able to have the majority vote to control the shareholders' meeting resolution. However, the waiver requester can exercise a block vote on certain matters that are required by law or by the Company's Articles of Association to obtain votes of not less than three-fourths of the total votes from the shareholders' meeting.

The risk from unable to get approval for whitewash is that the Company is unable to raise capital as planned, the Company may have to search for new sources of funding if the Company still has the intention to invest in accordance with the investment plan or the invested projects as prepared, such as loans from financial institutions, issuance of warrants, and issuance of additional debentures, etc. Therefore, the Company has to pay higher interest expenses and the operating performance may be affected. In addition, the Company also has additional burdens in terms of fees, collaterals, or other obligations. However, if the company is unable to raise fund as planned, the company can continue operation as normal and the shareholders can still expect to get return from the investment, based on the company operating result at that time.

For part of fairness of price, the THB 5.00 of offering price is lower than FNS fair value which is in the range of baht 9.84 – 11.70 per share, based on Discounted Cash Flow approach. In addition, the baht 5.00 of offering price is the same price as the price offered to all shareholders who are able to buy shares below fair value, thus deemed as beneficial and advantageous to all shareholders who subscribe the right offering, although the offering price is higher than the trial 7-days volume weighted average price, 4.17 baht per share. **In conclusion, IFA is of the opinion that the Offering price is the inappropriate and fair price.**

In addition, the right offering by issuing new shares is offered to the existing shareholders for the amount proportionate to existing shareholdings. The details of Right Offering specified that the existing shareholders has priority to exercise the right to subscribe the shares and oversubscribe the shares to maintain the percentage of shareholding and control as well as protect their interests from Right Offering.

From abovementioned details and reasons, IFA has an opinion that the waiver from mandatory tender offer obligation by using the resolutions of shareholders' meeting (whitewash) is reasonable. Price and conditions of the transaction are fair. And the shareholders will receive benefits from entering into the transaction.

Accordingly, the shareholders should resolve to **approve** the waiver from mandatory tender offer obligation by using the resolutions of shareholders' meeting (whitewash).

The Opinion of Independent Financial Advisor on Connected Transaction

With reference to the increase in registered capital of the Company by issuing 98,815,840 shares to existing shareholders proportionate to their shareholding (Right Offering), Mr. Vorasit group, the major shareholders and managing director of the company, declare the intention to subscribe and oversubscribe for newly issued ordinary shares in the amount of not exceeding 98,815,840 shares, consisting of 18,102,742 shares from RO allotment and 80,713,098 shares from oversubscription allotment. IFA opined that the subscription method, payment, and procedure of newly issued ordinary shares allotment are not different from other shareholders, are appropriate and beneficial to the Company as follows:

- The company has sufficient fund for business expansion
- The company still has strong financial structure after investment
- Shareholders have the opportunity to receive more returns in the future
- The capital increase does not affect price dilution (Price Dilution)
- Reduce liquidity risk

For part of dilution effect, the shareholders will be affected in terms of control dilution effects in the event that there is no shareholder subscribing for newly issued ordinary shares in which the control will be diluted by 28.57 percent. While earnings dilution will affect both existing shareholders who subscribe or do not subscribe for newly issued ordinary shares in which earnings will be diluted by 28.57 percent. For price dilution effects, the shareholders will not be affected in terms of price dilution effects as explained above. For more details, please refer to section 1.2.3: Possible impacts to the shareholders of the Company of this IFA report.

Advantages of entering into a transaction with connected person are listed as follows:

- The Company can raise funds in the required amount within a short period of time
- The Company can operate its businesses continuously without the impact of significant changes in policies or business operating plan of the Company
- Capital increase at the offering price higher than the market price

Disadvantages of entering into the transaction with connected person are listed as follows:

- There are potential conflicts of interest
- Shareholders do not receive clear information for the decision on the capital increase

Moreover, In the event that the Company raises capital as usual in which the transaction is not considered as the connected transaction from oversubscription of the entire newly issued ordinary shares, the Company will have risks of not receiving capital as planned, which will impact on investment plan and growth

opportunities of the Company. In addition, the Company may be required to create incentives for shareholders to exercise their rights via various approaches, such as pricing the offering price of newly issued ordinary shares lower than the current market price, the issuance of warrants, etc.

According to consideration of the offering price of newly issued ordinary shares of the Company at Baht 5.00 per share, the Independent Financial Advisor has an opinion that the offering price is appropriate, although the offering price is higher than 7-day average of Volume Weighted Average Price, being traded on Stock Exchange, which is baht 4.17 per share but the offering price is lower than the evaluated price calculated by the Independent Financial Advisor, based on Discounted Cash flow approach which is equal to Baht 9.84 – 11.70 per share. The baht 5.00 per share of offering price is offered to all shareholders which will benefit all shareholders who subscribe the right offering allotment. Moreover, because the capital increase is the offering of newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering) with the method for subscription, payment, and allotment of newly issued ordinary shares equally for all existing shareholders.

All shareholders, still, expose to the risks entailing the transaction from risk of uncertainty of the investment plan, lack of balance of power, risk of inability to raise funds as planned of the company, risk of not being approved by the shareholders' meeting, and risk of canceling of the transaction

The Independent Financial Advisor has an opinion that the entering into the connected transaction of Mr.Vorasit group in both subscription and oversubscription for newly issued ordinary shares in amount of not exceeding 98,815,840 shares is appropriate. Price and conditions of the transaction are fair. And the Company and shareholders will receive benefits from entering into the transaction. Accordingly, the shareholders should resolve to approve the entering into the transaction.

IFA opined that the transaction's conditions the company proposed to IFA are appropriate, and are deemed as normal condition and such conditions do not damage the shareholders' and company's interest.

Nonetheless, in deciding whether to approve or disapprove the said Transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders' individual judgment.

The details of Opinion of Independent Financial Advisor are shown as follows:

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1: The Request for Waiver from Mandatory Tender Offer by Using the Resolutions of Shareholder's Meeting (Whitewash) of Finansa Public Company Limited

The Independent Financial Advisor has an opinion that the waiver from mandatory tender offer obligation by using the resolutions of shareholders' meeting (whitewash) is reasonable by considering important factors, advantage or disadvantage or risks from entering into the transaction. The details are as followed:

1.1 Characteristics and Details of the Transaction

Whereas, the Board of Directors' Meeting of Finansa Public Company Limited (the "Company") No. 5/2018, held on August 23, 2018 and Notification of the amended Date of the Extraordinary General Meeting of Shareholders No. 1/2018 held on 31 August 2018, has resolved to propose to the meeting of shareholders to approve the increase in the Company's registered capital from Baht 1,235,198,000 or 247,039,600 shares with a par value of Baht 5.00 per share to Baht 1,729,277,200 or 354,855,440 shares with a par value of Baht 5.00 per share by issuing 98,815,840 new ordinary shares with a par value of Baht 5.00 per share to offer and sell to existing shareholders proportionate to their shareholding (Right Offering) at an offering ratio of 2.5 old shares to 1 new ordinary share, in which the fraction of shares shall be disregarded, at an offering price of Baht 5.00 per share, totaling Baht 494,079,200.

Furthermore, the Board of Directors' Meeting approved to propose to the Extraordinary General Meeting of Shareholders to consider and approve the waiver from mandatory tender offer by using the resolution of shareholders' meeting (Whitewash) due to the increase in registered capital of the Company, Mr. Vorasit Pokachaiyapat, a managing director and existing shareholder, has submitted the letter to the meeting expressing that Mr. Vorasit Pokachaiyapat and his related person as per Article 258 M.L. Suddhiman Pokachaiyapat ("Mr. Vorasit group" or "the waiver requester") has intention to subscribe and oversubscribe for new ordinary shares in a total amount of not exceeding 98,815,840 shares, consisting of 18,102,742 shares from RO allotment and 80,713,098 shares from oversubscription allotment.

In this regard, assuming that there is no other oversubscribing shareholder, whilst Mr. Vorasit group exercises the rights to oversubscribe for shares in an amount as mentioned above, the maximum number of shares to be allotted to Mr. Vorasit group would be 98,815,840 shares, which is equal to the total number of new ordinary shares offered in this occasion. As a result, the shareholding percentage and voting rights of Mr. Vorasit group in the Company would increase to not exceeding 41.66%, passing the threshold shareholding percentage at 25% for the obligation to mandatory tender offer, which would cause Mr. Vorasit group to have duties to comply with the mandatory tender offer obligation. However, Mr. Vorasit group intends to request for a waiver for mandatory tender offer in accordance with the Notification of the Office of Securities and Exchange Commission No. SorKor. 29/2018 re: Guideline on the Request for Waiver from Mandatory Tender Offer by Using the

Resolutions of Shareholders' Meeting (Whitewash). To obtain such waiver, it is required to comply with the applicable notification, and the shareholders' meeting shall resolve to approve the offering and sale of new ordinary shares of the Company to the waiver requester including the waiver granted to requester from mandatory tender offer obligation arising from the receipt of shares following such approved transaction with a vote of no less than three-fourth of total votes of the shareholders who attend the meeting and are entitled to vote. When counting the votes for such agenda and the total votes of shareholders who are entitled to vote for such agenda, the voting rights of the following persons shall be excluded from the calculation:

- (a) a related person as per Article 258 of the waiver requester
- (b) a concert party of the waiver requester
- (c) a related person as per Article 258 of the person in (b)

The waiver for mandatory tender offer by the waiver requester is under important conditions that (1) approval of the issuance and allotment of new ordinary shares (2) approval of the Request for Waiver from Mandatory Tender Offer by Using the Resolutions of Shareholder's Meeting (Whitewash) and (3) approval of connected party transaction. Since condition 1 to condition 3 are interrelated and conditional to one another, if the Extraordinary General Meeting of Shareholders does not approve any of those condition, the next relevant condition shall not be presented to the Extraordinary General Meeting of Shareholders No.1/2018 for further consideration, whilst the condition that had been approved prior to disapproval on such condition shall be deemed cancelled.

Details of the Request for Waiver from Mandatory Tender Offer by Using the Resolutions of Shareholder's Meeting (Whitewash) are as follow:

1.1.1 Characteristics of the relevant securities and the securities offered to the waiver requester

Mr. Vorasit Pokachaiyapat and his related person as per Article 258 ("Mr. Vorasit group") has intention to subscribe and oversubscribe for new ordinary shares in a total amount of not exceeding 98,815,840 shares, consisting of 18,102,742 shares from RO allotment and 80,713,098 shares from oversubscription allotment. In this regard, assuming that there is no other oversubscribing shareholder, whilst Mr. Vorasit group exercises the rights to oversubscribe for shares in an amount as mentioned above, the maximum number of shares to be allotted to Mr. Vorasit group would be 98,815,840 shares, which is equal to the total number of new ordinary shares offered in this occasion. As a result, the shareholding percentage and voting rights of Mr. Vorasit group in the Company would increase to not exceeding 41.66%, passing the threshold shareholding percentage at 25% for the obligation to mandatory tender offer, which would cause Mr. Vorasit group to have duties to comply with the mandatory tender offer obligation. Since Mr. Vorasit group intends to request for a waiver for mandatory tender offer. Therefore, the waiver requester has duties to comply with the Notification of Whitewash and ask for approval from the shareholders' meeting.

1.1.2 General information of the waiver requester

The waiver requester	:	Mr. Vorasit Pokachaiyapat
Age	:	55 Years
Nationality	:	Thai
Related person as per Article 258	:	M.L. Suddhiman Pokachaiyapat ^{1/} Morgan Stanley & Co. International Plc. ^{2/}
Education and training program	:	- M.S. Computer Information Systems Bentley College, USA - B.S. Managerial Economics and Industrial Management Carnegie-Mellon University, USA - Certificate, Thai Institute of Directors Association Directors Certification Program (2002)
Position in Finansa Public Company Limited	:	Managing Director / Authorized Director / Executive Director / Member of the Nomination and Compensation Committee
Experience over past 5 years	:	<u>Listed Company</u> 2015-Present Chief Executive Officer and Managing Director of M.K.Real Estate Development Plc. 1998-Feb 2018 Independent Director of SE-Education Plc. <u>Other Companies</u> 2016-Present Director of NEO Corporate Co., Ltd. 2010-Present Director of Finansa Capital Ltd. 1994-Present Director of Finansa Fund Management Ltd. 2005-Present Executive Director of Prospect Development Ltd. 2011-2015 Director of Chaiyanan Service Group Co., Ltd.

Remark: 1/ The related person as per Article 258 (Mr. Vorasit Pokachaiyapat's spouse)

2/ Custodian for securities trading account of the waiver requester and M.L. Suthiman Pokachaiyapat who is the waiver requester's spouse and related person as per Article 258. The existing 13,776,855 shares are shares that the waiver requester received and deposited under such account. The waiver requester also use the voting right through the custodian ("Custodian")

Source: Form 56-1 of FNS and form 247-7 as of 13 September 2018

1.1.3 Information of the securities issuer

Details are followed the attachment 1 of the Independent Financial Advisor's report.

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1.2: Opinions of the IFA on whitewash waiver from the requirement to make tender offer for Company's securities

The Independent Financial Advisor has consider business plan and policy that the waiver requester has stated in in a request form for resolution of the shareholders' meeting to approve the acquisition of new securities without making a tender offer for all securities of the business (Form 247-7) dated September 13, 2018. Opinion on the business management policy and plan as proposed by the waiver requester is as followed:

1.2.1 Opinion on the business management policy and plan as proposed by the waiver requester**1. The policy and business management**

After the waiver requester has acquired newly issued ordinary shares of the Company, based on the assumption that there is no existing shareholder subscribing for newly issued ordinary shares and the waiver requester oversubscribes for newly issued ordinary shares as described above. In this event, the shareholding and voting rights of the waiver requester in the Company will increase from 18.32 percent of the total number of issued shares and the total voting rights of the Company to be no more than 41.66 percent of the total number of issued shares and the total voting rights of the Company. This constitutes a significant shareholding in the Company, which is higher than 25 percent but does not reach or exceed 50 percent of the total number of issued shares of the Company. The waiver requester has stated in a request form for resolution of the shareholders' meeting to approve the acquisition of new securities without making a tender offer for all securities of the business (Form 247-7) as follows;

"Within the twelve months following the receipt of oversubscribed shares with whitewash approval, the Company has a plan to expand the business via Direct Investment. The waiver requester, it his capacity as an executive, may consider and review the policy or management plan of the Company and its subsidiaries, as deemed appropriate, for the best interest of the Company and its subsidiaries. In addition to the aforementioned plan, the waiver requester has no plan for significant changes in the policy or business plan of the Company, objectives of the Company, additional investment or capacity expansion, reorganization, management or employment, divestment plan of core assets of the Company or its subsidiary, financial restructuring, dividend payout policy."

Independent Financial Advisor's opinion:

According to the disclosure of the Company's investment plan, the Company plans to expand its business via direct investments and additional investments in associated companies in property

business, securities business, as well as private equity investments¹ in some companies, preliminarily, in food business, products and services for health business, and other interesting businesses. Direct Investment business is the existing business of the Company and its subsidiaries. In the past, the Company and its subsidiaries have been conducting direct investments in companies or funds with the business areas that can support and extend the group's businesses. This business expansion in direct investment is to conduct additional investments in companies and/or funds in the form of private equity investments.

In addition, the additional investments in associated companies, as aforementioned, are in accordance with the investment policies of the Company which allow the Company to invest in several subsidiaries and associated companies in order to advocate the group's businesses in providing various financial services, including investment banking, wealth management, fund management and advisory, venture capital, securities brokerage, and property development.

However, the investment plan of the Company and its subsidiaries in the form of direct investment and/or additional investments in private equity are in accordance with the investment policies of the Company and its subsidiaries, as well as normal investment transactions that the Company and its subsidiaries are currently operating. The management of the Company may consider investment formats, worthwhileness of the investments, and investment returns in order to ensure that the Company will receive maximum benefits. Since the investment plan is still the preliminary study of companies that the Company plans to invest. In addition, the aforesaid investment projects are still in negotiation process with relevant parties and there is still no obvious conclusion that can be disclosed at this time. Therefore, the investment plan of the Company may not be as expected due to internal and external factors such as economic conditions, changes in consumption and services that may affect the operation of invested projects and investment returns.

The Independent Financial Advisor has an opinion that the Company will not be affected by changes in policies or business operating plans of the Company and its subsidiaries significantly in accordance with policies and business operating plans of the Company that the waiver requester stated above. The Company will continue to operate businesses as usual and the waiver requester has no plans to change business objectives, management policies, as well as structure of directors and the management of the Company because the waiver requester is a major shareholder, director, and the management of the Company since the waiver has been conducted and still continues to operate the Company subsequent to an increase in shareholding from oversubscription for newly issued ordinary

¹ Private Equity investment is a form of Joint Venture which company and subsidiaries will consider targeted company, during growth stage, which has tendency to grow continuously and can be invested in form of joint venture or lending (may convert to equity later). Once such investment becomes successful, the company (investor) may sell investment portion (take an exit) through IPO or private placement.

shares. List of the Board of Directors of the Company as of September 13, 2018 which is expected to be announced after the acquisition of newly issued ordinary shares will not be changed in any way.

2. The Connected Transaction

The waiver specified the plan after acquisition of Company's new ordinary shares regarding the connected transactions in Form 247-4 as follows:

"Within the twelve months following the receipt of oversubscribed shares with whitewash approval, the connected transaction between Company and the waiver requester which is transaction of remuneration for directors and executives, which the waiver requester is qualified to receive as a director and executive of the Company, will not change significantly from current position

For related person under Section 258 (M.L. Suddhiman Pokachaiyapat), there was no connected transaction between person under Section 258 and the Company and within twelve months following the receipt of oversubscribed shares with whitewash approval, the connected transaction between person under Section 258 and the company is expected not to change significantly from current position

Currently, there is no Concert Party of the waiver requester and person under Section 258 of Concert Party"

Independent Financial Advisor's opinion:

The Independent Financial Advisor has an opinion that the waiver requester is a major shareholder, director, and the management of the Company which is a company listed on the Stock Exchange of Thailand (SET) since before the acquisition of newly issued ordinary shares of the Company at this time. The waiver requester and the Company have complied with policies, procedures, and approval process of entering into the connected transactions as required by the SET and the Office of the Securities and Exchange Commission (SEC) in order to prevent conflicts of interest in the connected transactions of the Company, subsidiaries, associated companies, relevant companies and/or persons who may have conflicts. However, if in the future the waiver requester and the Company have more connected transactions, the waiver requester and the Company still have an obligation to comply with policies and procedures of entering into the connected transactions which must be in accordance with good corporate governance policy. The Audit Committee shall be responsible for considering the entering into the connected transactions.

1.2.2 Total voting rights that the waiver requester will have after the acquisition of securities and will additional have in the future without the requirement to make a tender offer to acquire all securities of the Company

For the increase in registered capital of Baht 494,079,200 by issuance and allotment of new ordinary shares to existing shareholders proportionate to their shareholding (Right Offering) by issuing 98,815,840 new ordinary shares, Mr. Vorasit Pokachaiyapat and his related person as per Article 258, or M.L. Suddhiman Pokachaiyapat (“Mr. Vorasit group”, “the waiver requester”) has intention to subscribe and oversubscribe for new ordinary shares in a total amount of not exceeding 98,815,840 shares, consisting of 18,102,742 shares from RO allotment and 80,713,098 shares from oversubscription allotment. Assuming there is no other oversubscribing shareholder, whilst Mr. Vorasit group exercises the rights to oversubscribe for shares in an amount as mentioned above, the shareholding percentage and voting rights of Mr. Vorasit group in the Company would increase from 18.32% to not exceeding 41.66%, passing the threshold shareholding percentage at 25% (more than 25% but less than or equal to 50%) for the obligation to mandatory tender offer, which would cause Mr. Vorasit group to have duties to comply with the mandatory tender offer obligation.

During the period from the date that the Board of Directors of the Company has a resolution to approve of the issuance of newly issued ordinary shares until the date that the Company’s meeting of shareholders has a resolution to approve of the issuance of such newly issued ordinary shares, the waiver requester and the related persons as per Article 258 of the waiver requester must not acquire shares of the Company, except those acquired by way of inheritance or those acquired by exercising the rights to subscribe for newly issued ordinary shares or convertible securities in proportion to its shareholding (Right Offering).

In the event that there is no existing shareholder exercising the rights to subscribe for newly issued ordinary shares in proportion to their shareholding (Right Offering) and the waiver requester, including the related persons as per Article 258 of the waiver requester exercise their rights to subscribe for the entire newly issued ordinary shares and have been allocated a total number of shares of not exceeding 98,815,840 shares, the shareholding structure of the Company before and after the capital increase and the allotment of newly issued ordinary shares shall be as follows (based on information as of the share register book closing date on September 10, 2018);

Shareholder List	Before Capital Increase (as of September 10, 2018)		After Right Offering and other shareholders don't exercise RO right	
	No. of share	% of Paid-up Capital	No. of share	% of Paid-up Capital
Mr. Vorasit group	45,256,855	18.32	Not Exceeding 133,572,695 ^{3/}	Not Exceeding 38.62 ^{3/}
- Mr. Vorasit Pokachaiyapat	20,980,000	8.49		
- Morgan Stanley & Co. International Plc ^{1/}	13,776,855	5.58		

Shareholder List	Before Capital Increase (as of September 10, 2018)		After Right Ofering and other shareholders don't exercise RO right	
	No. of share	% of Paid-up Capital	No. of share	% of Paid-up Capital
- M.L. Suddhiman Pokachaiyapat ^{2/}	10,500,000	4.25	Not Exceeding 14,700,000 ^{3/}	Not Exceeding 4.25 ^{3/}
Mr. Kobkhun Tienpreecha	33,430,000	13.53	33,430,000	9.67
Deutsche Bank AG Singapore – PWM	18,267,990	7.39	18,267,990	5.28
Miss Yasinee Apitanothai	8,527,200	3.45	8,527,200	2.47
Mrs. Prakaikarn Baikaew	6,192,000	2.51	6,192,000	1.79
UBS AG Singapore Branch	5,723,800	2.32	5,723,800	1.65
Mr. Wachira Tayanaraporn	5,600,000	2.27	5,600,000	1.62
Mrs. Monravee Davis*	4,360,000	1.76	4,360,000	1.26
Mr. Wuttakarn Jiraalongkorn	3,905,700	1.58	3,905,700	1.13
Mrs. Thida Aroonwilairat	3,637,900	1.47	3,637,900	1.05
Other Shareholders	112,138,155	45.39	112,138,155	32.96
Total	247,039,600	100.00	345,855,440	100.00

Remarks: 1/ Custodian for securities trading account of the waiver requester and M.L. Suthiman Pokachaiyapat who is the waiver requester's spouse and related person as per Article 258. The existing 13,776,855 shares are shares that the waiver requester received and deposited under such account. The waiver requester also use the voting right through the custodian ("Custodian")

2/ The persons are spouse and become related person as per Article 258 of the waiver requester

3/ The number of shares subscribed by the waiver and the person as per Article 258 is still uncertain but will be clarified with in 22 October 2018, the Extraordinary General Meeting of Shareholders date

* Holding additional 0.121% through Thai NVDR Co., Ltd.

Shareholding of the waiver requester based on the above assumptions at 4.166 percent of the total number of issued shares and the total voting rights of the Company is a significant shareholding although the voting rights of the waiver requester after the capital increase will not exceed 50 percent of the total number of issued shares and the total voting rights of the Company. However, the waiver requester will become a shareholder that can control management power significantly (Majority Control), even if the waiver requester can not be a majority to control the resolution of the shareholders' meeting which requires majority vote (resolution which receives votes of more than 50 percent of the total votes from the shareholders' meeting) or extraordinary resolution (resolution with receives majority vote of not less than three-fourths of the total votes from the shareholders' meeting).

However, the waiver requester can exercise a block vote on certain matters that are required by law or by the Company's Articles of Association to obtain votes of not less than three-fourths of the total votes from the shareholders' meeting, such as capital increase or decrease, application for a waiver from the requirement to

make a tender offer for all securities of a business, acquisition or disposition of assets, entering into a connected transaction in accordance with Notification of the SET, and the issuance of debentures.

In addition, if the shareholders' meeting of the Company has a resolution to approve of a waiver from mandatory tender offer for all securities of a business (Whitewash) and the waiver requester has already been granted the waiver from mandatory tender offer obligation, under the above assumptions, the waiver requester will be able to acquire additional shares of the Company approximately by less than 8.34 percent of the total number of issued shares. In this case, the Company's shareholding of the waiver requester will not reach or cross the trigger point of 50 percent of the total number of issued shares of the Company at which it will be required to make a tender offer for all securities of the Company.

1.2.3 Effects of the Share Offering on the Shareholders

1. Effect on Control Dilution, Earnings Dilution, and Price Dilution

In the event that there is no existing shareholder subscribing for newly issued ordinary shares in proportion to their shareholding (Right Offering) and the waiver requester, including the related persons as per Article 258 of the waiver requester exercise their rights to subscribe for the entire newly issued ordinary shares, shareholding of the waiver requester based on the above assumptions will be equal to 41.66 percent of the total number of issued shares and the total voting rights of the Company. This will cause control dilution and earnings dilution effects on the existing shareholders of the Company as follows:

- Control Dilution

Shareholders	Before Right Offering (as of 8 May 2018)		After Right Offering and other shareholders don't exercise RO right		Voting Right (Control Dilution)
	Amount of Shares	% of Paid- Up Capital	Amount of Shares	% of Paid- Up Capital	Change (%)
Mr.Vorasit Pokachaiyapat Group	45,256,855	18.32	144,072,695 ^{3/}	41.66	127.39
- Mr.Vorasit Pokachaiyapat	20,980,000	8.49			
- Morgan Stanley & Co. International Plc ^{1/}	13,776,855	5.58			
- M.L Suddhiman Pokachaiyapat ^{2/}	10,500,000	4.25			
Other Shareholders	201,782,745	81.68	201,782,745	58.34	(28.57)
Total	247,039,600	100.00	345,855,440	100.00	

Remarks: 1/ Custodian for securities trading account of the waiver requester and M.L. Suthiman Pokachaiyapat who is the waiver requester's spouse and related person as per Article 258. The existing 13,776,855 shares are shares that the waiver requester received and deposited under such account. The waiver requester also use the voting right through the custodian ("Custodian")

2/ The persons are spouse and become related person as per Article 258 of the waiver requester

3/ The number of shares subscribed by the waiver and the person as per Article 258 is still uncertain but will be clarified with in 22 October 2018, the Extraordinary General Meeting of Shareholders date

The issuance and offering of newly issued ordinary shares of the Company based on the assumption that the waiver requester has been allocated the entire newly issued ordinary shares and there is no existing shareholder exercising their rights to subscribe for the entire newly issued ordinary shares, shareholding and voting rights of other existing shareholders will reduce from the previous level of 81.68 percent to be equal to 58.34 percent, or the control will be diluted by 28.57 percent. While Mr.Vorasit group will have an increase in shareholding and voting rights from 18.32 percent to 41.66 percent, or an increase in the voting rights by 127.39 percent.

Changes in shareholding of other existing shareholders in FNS based on the above assumptions will allow other existing shareholders to have shareholding more than 50 percent but not exceeding 75 percent of the total voting rights of FNS. It is deemed to be a significant decrease, i.e. other existing minor shareholders will gain the majority vote even harder in order to control the resolution of the shareholders' meeting of the Company. In addition, in case that Mr.Vorasit group has been granted the waiver from mandatory tender offer obligation, Mr.Vorasit group will be able to acquire additional shares of the Company in the future by less than 8.34 percent of the total voting rights of the Company by not reaching or crossing the trigger point of 50 percent of the total voting rights of the Company at which it will be required to make a tender offer for all securities of the Company.

However, in the event that all existing shareholders exercise their rights to subscribe for the full amount of newly issued ordinary shares in proportion to their shareholding or exceeding their rights, the existing shareholders will not be affected by the control dilution effects from the capital increase at this time.

- Earnings Dilution

Earnings Per Share Dilution = $EPS_0 - EPS_1 / EPS_0$	(28.57%)
which is $EPS_0 = \text{Net Income}^{1/} / \text{Number of Paid-up shares before Right Offering}^{2/}$	THB 0.35 per share
$EPS_1 = \text{Net Income}^{1/} / \text{Number of Paid-up shares after Right Offering}^{3/}$	THB 0.25 per share

Remarks:

1/ Trial 4-quarter Net Income (Quarter 3/2017 to Quarter 2/2018) equals to	THB 86.98 million
2/ Paid-up shares before Right Offering equals to	THB 247.04 million
3/ Paid-up shares after Right Offering equals to	THB 345.86 million

According to the capital increase, earnings will be diluted by 28.57 percent. The Independent Financial Advisor calculated based on earnings of the Company (operating performance in 4 latest previous quarters by not taking into account the increase in earnings that are expected to increase in the future) and the total number

of shares of the Company after capital increase in which earnings per share of the Company will decrease, resulting in a decrease in dividend per share.

This capital increase will cause impacts in terms of earnings per share dilution effects. However, if considering the investments that will be received to expand direct investments of the Company and additional investments in associated companies or investments in the form of private equity, etc. This will generate more revenue and earnings in the future. Therefore, it is expected that if the Company has investments that can generate more earnings for the Company, earnings dilution effect will be reduced. However, since the investment plan from this capital increase is still the preliminary study of companies that the Company plans to invest. In addition, the aforesaid investment projects are still in negotiation process with relevant parties and there is still no obvious conclusion that can be disclosed at this time. Therefore, the shareholders of the Company should follow up on news regarding investment plan of the Company closely.

- **Price Dilution**

Since the issuance and offering of newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering) of the Company, the offering price is equal to Baht 5.00 per share, which is higher than the weighted average market price of the Company's ordinary shares during the period of 7 business days prior to the Board of Directors' meeting No. 5/2018 held on August 23, 2018. The Board of Directors' meeting has resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2018 on the relevant agenda at the average price of Baht 4.16 per share. Thus, the existing shareholders of the Company will not be affected by price dilution effects from the issuance and offering of newly issued ordinary shares.

In summary, in the event that there is no existing shareholder subscribing for newly issued ordinary shares in proportion to their shareholding (Right Offering) and the waiver requester, including the related persons as per Article 258 of the waiver requester exercise their rights to subscribe for the entire newly issued ordinary shares, shareholding of the waiver requester based on the above assumptions will cause control dilution and earnings dilution effects on the existing shareholders of the Company as follows;

Effect	If shareholders exercise the right offering	If shareholders do not exercise the right offering
Control Dilution	No effect	Decrease 28.57%
Earnings Dilution	Decrease 28.57%	Decrease 28.57%
Price Dilution	No effect	No effect

2. The risk that waiver will be able to veto the shareholders' resolutions

In the event that there is no existing shareholder exercising the rights to subscribe for newly issued ordinary shares in proportion to their shareholding (Right Offering) and the waiver requester, including the related persons as per Article 258 of the waiver requester exercise their rights to subscribe for the entire newly issued ordinary shares, shareholding of the waiver requester based on the above assumptions will be equal to 41.66 percent of the total number of issued shares and the total voting rights of the Company. Such shareholding is a significant shareholding although the waiver requester will not be able to have the majority vote to control the shareholders' meeting resolution. However, the waiver requester can exercise a block vote on certain matters that are required by law or by the Company's Articles of Association to obtain votes of not less than three-fourths of the total votes from the shareholders' meeting, such as capital increase or decrease, application for a waiver from the requirement to make a tender offer for all securities of a business, acquisition or disposition of assets, entering into a connected transaction in accordance with Notification of the SET, and the issuance of debentures, etc.

1.2.4 Benefits obtainable by the company from approval of the transaction
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Within the twelve months following the receipt of oversubscribed shares with whitewash approval, the Company has a plan to expand the business via direct investment and additional investment in associated company. The waiver requester, on behalf of the management, may consider and review policies or business operating plans of the Company and its subsidiaries, as deemed appropriate, for the best interest of the Company and its subsidiaries. In addition to the aforementioned plans, the waiver requester has no plan for significant changes in policies or business plans of the Company, objectives of the Company, additional investments or capacity expansion, reorganization, management or employment, divestment plans of core assets of the Company or its subsidiary, financial restructuring, dividend payout policy.

According to the intention of Mr.Vorasit group to oversubscribe for newly issued ordinary shares in the total amount of up to 98,815,840 shares or not exceeding Baht 494.08 million, which is the total amount of shares for this capital increase. The Company's registered capital will increase from Baht 1,235.20 million to Baht 1,729.28 million. Subsequent to the capital increase, the Company will have sufficient investments to spend in accordance with the investment plan of the Company under certain period of time. Comparing to funding by offering newly issued ordinary shares to the existing shareholders, the Company has risks in case that the Company may not receive the full amount of required capital, which may result in the investment plan of the Company in the future.

However, the above investment plan may not be as expected because internal and external factors, such as economic conditions, changes in consumption and services that may affect the operation of invested projects and investment returns.

Furthermore, according to the information that the waiver requester stated in Form 247-7 on the list of the Board of Directors as per the latest director registration as of September 13, 2018 and the Board of Directors which is expected to be announced after the capital increase are as follows;

Before request for waiver ^{1/}		After the capital increase	
Name	Position	Name	Position
Dr. Virabongsa Ramangkura	Chairman and Independent Director	Dr. Virabongsa Ramangkura	Chairman and Independent Director
Mr. Vorasit Pokachaiyapat	Managing Director and Director	Mr. Vorasit Pokachaiyapat	Managing Director and Director
Mr. Varah Sucharitakul	Director	Mr. Varah Sucharitakul	Director
Mr. Eugene S.Davis	Director	Mr. Eugene S.Davis	Director
นาย วรศักดิ์ อ้นยาวงษ์	Director	นาย วรศักดิ์ อ้นยาวงษ์	Director
Mr. Akarat Na Ranong	Independent Director and Chairman of the Audit Committee	Mr. Akarat Na Ranong	Independent Director and Chairman of the Audit Committee
Mr. Nuttawut Phowborom	Independent Director and Member of the Audit Committee	Mr. Nuttawut Phowborom	Independent Director and Member of the Audit Committee
Mr. Chanmanu Sumawong	Independent Director and Member of the Audit Committee	Mr. Chanmanu Sumawong	Independent Director and Member of the Audit Committee

Remark: 1/List of Board of Directors as of September 13,2018

Therefore, subsequent to being a major shareholder of the waiver requester, the internal operation of the Company will not be affected significantly since the Company still continues to operate under the control of the existing Board of Directors.

1.2.5 Risks involved with failure to obtain approval for the whitewash waiver

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

In the event that the shareholders of the Company do not approve the waiver from mandatory tender offer obligation by using the resolutions of shareholders' meeting (whitewash), the Company may have risks of not being able to obtain investment amount from capital increase as planned. This could result in delays in invested projects or investment plan of the Company which will affect the operating results of the Company in the future.

However, in case that the Company decides not to raise capital, the Company will continue to operate business as usual in which the shareholders will have the opportunity to receive investment returns based on operating results of the Company at that time.

- (2) The Company may have to search for new sources of funding.

In the event that the Company is unable to raise capital as planned, the Company may have to search for new sources of funding if the Company still has the intention to invest in accordance with the investment plan or the invested projects as prepared, such as loans from financial institutions, issuance of warrants, and issuance of additional debentures, etc. Therefore, the Company has to pay higher interest expenses and the operating performance may be affected. In addition, the Company also has additional burdens in terms of fees, collaterals, or other obligations.

1.2.6 Conditions of Whitewash

Reference to the resolution of FNS Board of Director meeting No. 5/2018 dated on 23 August 2018 and notice of change of Extraordinary General Meeting of shareholders No.1/2018 dated 31 August 2018 prescribed the agenda for waiver from mandatory tender offer (whitewash) as follows:

- | | |
|----------|---|
| Agenda 2 | To consider and approve the increase in registered capital of the Company |
| Agenda 3 | To consider and approve the amendment of Article 4 of the Memorandum of Association to be consistent with the increase in registered capital of the Company |
| Agenda 4 | To consider and approve the issuing and offering new ordinary shares to existing shareholders proportionate to their shareholding (Right Offering) |
| Agenda 5 | To consider and approve the waiver from mandatory tender offer by using the resolution of the shareholders' meeting (Whitewash) |
| Agenda 6 | To consider and approve the entering into transaction with a connected person |

Since Agenda 2 to Agenda 6 are interrelated and conditional to one another, if the Extraordinary General Meeting of Shareholders No.1/2018 does not approve any of those Agenda, the next relevant Agenda shall not be presented to the Extraordinary General Meeting of Shareholders No.1/2018 for further consideration, whilst the Agenda that had been approved prior to disapproval on such Agenda shall be deemed cancelled.

The company structured the agendas to be interrelated to ensure that the company can raise fund for investment expansion as planned and with full amount, thus all shareholders are able to oversubscribe the shares. Moreover, MR. Vorasit's intention of shares oversubscription can increase the certainty that the issuance of new shares for right offering can raise fund within specified period and with full amount as planned.

The intention of oversubscription the allotment by Mr. Vorasit Pokachaiyapat causes the company to enter the transaction of waiver from mandatory tender offer by using the shareholders' meeting resolution

(Whitewash) as per Agenda 5 and entering into transaction with a connected person as per Agenda 6, thus the shareholders meeting must consider the resolution of capital increase and other related agendas simultaneously.

On the other hands, If each agenda is not interrelated, the shareholders will have more flexibility to consider the agenda independently; however, there are risks of unable to achieve fundraising result as planned and/or the amount of fund is insufficient, causing the company to consider another capital increase to fulfill the insufficiency or consider borrowing as another source of fund.

The approval from the Extraordinary General Meeting of Shareholders No. 1/2018 which will be held on October 22, 2018 must be derived from the votes of not less than three-fourths of the total votes of the shareholders who attend the meeting and are entitled to vote, but excluded (a) the related persons as per Article 258 of the waiver requester (b) the concert party of the waiver requester (c) the related persons as per Article 258 of the person in (b) and not counting the voting rights of the aforementioned persons in the total votes of the shareholders who attend the meeting and are entitled to vote for such agenda.

1.3 Appropriateness of the Offering Price of Newly Issued Shares to the waiver requester

With regard to the reasonableness of the waiver from mandatory tender offer and connected transaction of Finansa Public Company Limited, of which 98,815,840 new ordinary shares shall be offered to existing shareholders proportionate to their shareholding (Right Offering). Mr. Vorasit Pokachaiyapat and his related person as per Article 258 (“**Mr. Vorasit group**”) has intention to subscribe and oversubscribe for new ordinary shares in a total amount of not exceeding 98,815,840 shares, consisting of 18,102,742 shares from RO allotment and 80,713,098 shares from oversubscription allotment.

Assuming that there is no other oversubscribing shareholder, whilst Mr. Vorasit exercises the rights to oversubscribe for shares in an amount as mentioned above, the maximum number of shares to be allotted to Mr. Vorasit would be 98,815,840 shares), which is equal to the total number of new ordinary shares offered in this occasion. As a result, the shareholding percentage and voting rights of Mr. Vorasit in the Company would increase to not exceeding 41.66%, passing the threshold shareholding percentage at 25% for the obligation to mandatory tender offer, which would cause Mr. Vorasit Pokachaiyapat to have duties to comply with the mandatory tender offer obligation; however, Mr. Vorasit group intends to waive from mandatory tender offer.

Therefore, in considering the appropriateness of the price of securities offered to the waiver requester, the IFA has determined the Company’s share price by using the following approaches:

1. Book Value Approach
2. Adjusted Book Value Approach
3. Volume Weighted Average Price Approach or VWAP
4. Market Comparable Approach
 - a. Price to Book Value Ratio Approach or P/BV Ratio
 - b. Price to Earnings Ratio Approach or P/E Ratio
 - c. Enterprise Value to EBITDA Approach or EV/EBITDA Ratio
5. Discounted Cash Flow to Equity Approach or DCF

The IFA’s opinions are based on the assumptions that the information and documents provided to the IFA are accurate and correct without any significant changes, as well as considering the current situation and available information. If there are any significant changes to those factors, it may impact the Company and the Company’s transaction as well as the opinion rendered by the IFA.

I V Global Securities Public Company Limited (“**Independent Financial Advisor**”, or “**IVG**”), appointed by the Board of Directors of the Company to be an independent financial advisor, to provide opinion to the Company’s shareholders on the Tender Offer by considering the information received by the Company, publicly available information such as resolution of the Board of Directors, other related information of the Company, audit report and financial statement of the Company and other related companies, including information from the

interview of the executive of the Company and other related companies for preparation of this Opinion Report of the Independent Financial Advisor.

1.3.1 Book Value Approach

This valuation approach will show the overall Company's value at any point of time. As for this valuation of the Company by book value approach, the Company's value is based on the financial statements as of 30 June 2018 which is the most up-to-date financial statement as reviewed by the auditor approved by the SEC. The details are shown below:

Shareholders' Equity as of June 30, 2018	Unit	Amount
Registered Capital	Baht million	1,235.20
Par value	Baht per share	5.00
Issue and paid-up share capital	Baht million	1,235.20
Premium on ordinary shares	Baht million	208.46
Legal reserve	Baht million	40.00
Retained earnings (Unappropriated)	Baht million	1,098.23
Other Components of shareholders' equity	Baht million	(310.06)
Shareholders' Equity	Baht million	2,271.83
Number of Issued and Paid-Up Ordinary Shares	Baht million	247.04
Book Value	Baht per share	9.20

Source: Company's financial statement as of 30 June 2018, reviewed by the auditor approved by the SEC.

According to the book value approach, the FNS share price as of 30 June 2018 is equivalent to Baht 9.20 per share.

1.3.2 Adjusted Book Value Approach

According to the valuation of fair value of the Company by using the Adjusted Book Value Approach, total assets of the Company will be deducted by total liabilities, including commitments and contingent liabilities, which appeared in the financial statements as of June 30, 2018. Subsequently, the results will be adjusted by various items that occurred subsequent to the closing date of financial statements, or items that help the book value to reflect more actual value. Then, the calculated results will be divided by the total number of issued and paid-up shares of the Target Company. Details of adjusted items can be summarized as follows:

According to the consolidated financial statements of the Company ended June 30, 2018, the Company had total assets of THB 3,545.95 million. The book value of current assets, including cash and cash equivalents, temporary investments, service income receivable, receivables and loans to other (current portion), other receivables, short-term loans and advances to related parties, and other current assets, was THB 447.85 million or 13.48 percent of total assets. The book value is close to fair value.

The value of non-current assets, mostly comprising long-term investment, investment in associates, other long-term investment (general investment), receivables and loans to others (net of current portion), premises and equipment, goodwill, leasehold right, eas THB 3,068.10 million or around 86.52 percent of total asset.

According to the consolidated financial statements of the Company ended June 30, 2018, the total book value of current liabilities, including short-term debentures, liabilities under finance lease agreement (current portion), corporate income tax payable, other current liabilities, was THB 449.99 million or around 12.69% of total asset. The value of non-current liabilities, comprising liabilities under finance lease agreement (net of current portion), long-term debentures (net of current portion), deposits from customers, and provision for post-employment benefits, was THB 824.13 million or 23.24 percent of total asset approximately.

IFA deemed that the shareholder's equity part in consolidated financial statement, dated June 30, 2018, reviewed by the auditor approved by the SEC, has reflected current book value and since there is no core asset appraisal during past 12 months, IFA didn't adjust the book value. The FNS value under adjusted book value approach is, thus, equal to the FNS value under book value approach which is equivalent to THB 9.20 per share as of June 30, 2018.

1.3.3 Volume Weighted Average Price Approach หรือ VWAP

This valuation by volume weighted average price approach uses Company's ordinary shares in the SET by taking into account the value and trading volume of ordinary shares in the SET.

Trading volume and VWAP of FNS's shares between 3 August 2015 – 23 August 2018 diagram



Source: Bloomberg

During the past three years since 3 August 2015 – 23 August 2018, the lowest price at Baht 3.68 per share and the highest price at 5.15 per share. The daily trading volumes of FNS for the past three years is at the Turnover Ratio of approximately 0.18 percent of the Company's total paid-up shares.

This valuation approach uses the Volume Weighted Average Price from the Company's securities trading through the SET on different period of time in the past. The IFA has considered the volume weighted average price of the Company (Market capitalization / trading volume) based on the retroactive 15 business days, 30 business days, 60 business days, 90 business days, 180 business days, and 360 business days between the period of 6 March 2017 – 23 August 2018. The valuation approach can be shown as follow:

Summary of market VWAP retroactive 15 business days to 360 business days

Trading Period	Trading Value (Million Baht per day)	Trading Volume (Million Share per day)	Volume Weighted Average Price (Baht per share)	Turnover Ratio ^{1/} (%)
15 business days average price	1.04	0.24	4.34	0.10
30 business days average price	1.10	0.24	4.47	0.10
60 business days average price	0.87	0.19	4.46	0.08
90 business days average price	0.75	0.17	4.46	0.07
180 business days average price	0.73	0.16	4.51	0.07
360 business days average price	1.40	0.30	4.63	0.12

Source: SETSMART

Remark: Turnover Ratio is an Average Trading Volume calculated from trading volume and listed volume of shares with the SET on the specific date.

Further to this approach, the price of the Company, as of 23 August 2018, ranges from Baht 4.34 – 4.63 per share, which are Baht 0.66 – 0.37 per share or 13.18 – 7.47 percent lower than the THB 5.00 of Offer Price.

1.3.4 Market Comparable Approach

Market comparable approach is based on the assumption that a company's market trading price correctly reflects the company's value. Therefore, the Company could be valued using relevant trading price multiples of listed companies in the same industry or similar businesses of Corporate advisory and investment banking, Fund management and advisory, Direct investment, Warehouse and factory leasing, and Securities brokerage, whose businesses are close to the Company's and have the turnover more than 3 years.

This approach of share price valuation could be appraised by using market ratio consisting of three following ratios:

- a. Price to Book Value Ratio Approach or P/BV Ratio
- b. Price to Earnings Ratio Approach or P/E Ratio
- c. Enterprise Value to EBITDA Approach: EV/EBITDA Ratio

1) Price to Book Value Ratio Approach or P/BV Ratio

The valuation from this approach focuses on book value of the company by using market price to compare with book values of the similar business to find the market price of the company. The calculation is conducted by multiplying the book value of company by P/BV median of the listed company in the same sector and operates similar business.

However, since FNS business engages corporate advisory and investment banking, fund management and advisory, direct investment, warehouse and factory leasing, and securities brokerage, there is no stock or listed company in Stock Exchange of Thailand that's comparable to FNS, and the book value can't be divided into each business type in order to compare to each business's peer list. The average Price to Book ratio of FNS from 7 business days to 360 business days is between 0.45 – 0.51 times as follows:

Ticker Symbol	Historical P/BV Ratio (times)							
	7 Business Day	15 Business Day	30 Business Day	60 Business Day	90 Business Day	120 Business Day	180 Business Day	360 Business Day
FNS	0.45	0.47	0.49	0.48	0.48	0.48	0.49	0.51

Source: Bloomberg

2) Price to Earnings Ratio Approach or P/E Ratio

The valuation under this approach focuses on the ability of company's profit generation. The calculation is based on the Company's trial 12 - months earnings from its latest audited financial statement multiplied by median of comparable companies' P/E ratio.

However, since FNS business engages corporate advisory and investment banking, fund management and advisory, direct investment, warehouse and factory leasing, and securities brokerage, there is no stock or listed company in Stock Exchange of Thailand that's comparable to FNS, and the earnings can't be divided into each business type in order to compare to each business's peer list. The average Price to Earnings ratio of FNS from 7 business days to 360 business days is between 8.92 – 12.77 times as follows:

Ticker Symbol	Historical P/E Ratio (times)							
	7 Business Day	15 Business Day	30 Business Day	60 Business Day	90 Business Day	120 Business Day	180 Business Day	360 Business Day
FNS	11.84	12.41	12.77	10.90	9.92	9.52	9.37	8.92

Source: Bloomberg

3) Enterprise Value to Earnings before Interest, Tax, Depreciation and Amortization Multiples Method or EV/EBITDA Ratio

The valuation under this approach focuses on the operating cash flow generating ability, deducted by the effect of company' different capital structures. The calculation is shown in 2 steps as follows:

(1) Multiply company's trial 12-month Earnings before Interest, Tax, Depreciation and Amortization by the average comparable companies' EV/EBITDA ratio, which is the average of 7 days, 15 days, 30 days, 60 days, 90 days, 120 days, 180 days, and 360 days, from 25 January 2017 to 12 July 2018 (One day before the tender offeror submits the tender offer intention letter (Form 247-3)), resulting in Enterprise value or EV

(2) Deduct Enterprise value by interest-bearing debt which then added by the cash and equivalence, resulting in market value

However, since FNS business engages corporate advisory and investment banking, fund management and advisory, direct investment, warehouse and factory leasing, and securities brokerage, there is no stock or listed company in Stock Exchange of Thailand that's comparable to FNS, and the EBITDA can't be divided into each business type in order to compare to each business's peer list. The average Price to Earnings ratio of FNS from 7 business days to 360 business days is between 6.83 – 7.81 times as follows:

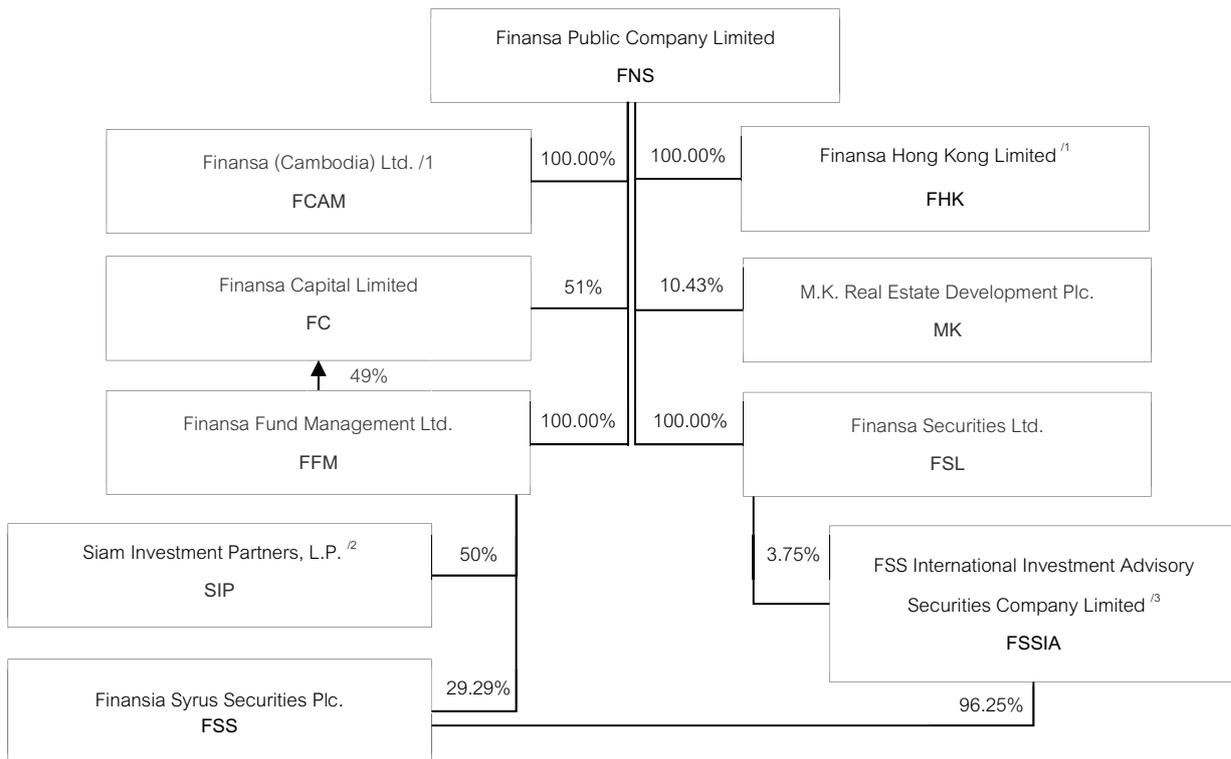
Ticker Symbol	Historical EV/EBITDA Ratio (times)							
	7	15	30	60	90	120	180	360
	Business Day	Business Day	Business Day	Business Day	Business Day	Business Day	Business Day	Business Day
FNS	7.51	7.70	7.81	7.23	6.93	6.88	6.83	6.86

Source: Bloomberg

1.3.5 Discounted Cash Flow Approach

The discounted cashflow approach is the method which brings into consideration, the future operating performance of the company through expected free cash flow to equity (FCFE) using assumption base on given information and interview with management, discounted by Cost of Equity (Ke) of the Company to determine present value of the asset.

The shareholding structure of the Company



Source: Information from the Company

Remark: /1 Non-operating

/2 Siam Investment Partners, L.P. is under liquidation process.

Fair value of equity base on FNS sum of parts of its business where the core business is FNS and its subsidiaries companies which includes Finansa Public Company Limited (FNS), Finansa Securities Limited (FSL), Finansa Fund Management Ltd. (FFM), and Finansa Capital Limited (FC). The Independent Financial Advisor used consolidate income approach where related items between firms are eliminated to determine its free cash flow.

IFA also determines fair value of companies under private equity investment side separately, which includes Neo Corporate Co., Ltd (NEO) under FFM and FB Foodservice (2017) Co., Ltd (FB) under FC. [in appendix 4 - 5](#)

As for Finansa (Cambodia) Ltd, ("FCAM"), Finansa Hong Kong Limited ("FHK"), and Siam Investment Partners ("SIP"), IFA did not include into the free cash flow projection as FCAM and FHK is currently non-operating and SIP is under liquidation process.

The company also has associates which include Finansa Syrus Securities Plc. (FSS) at 29.29% under FFM, FSS International Investment Advisory Securities Company Limited (FSSIA) at 3.70% under FSL, and M.K. Real Estate Development Plc. at 10.43% under FNS. IFA determines fair value of FSS and MK using Free Cash Flow method as shown in [Appendix 2 – 3](#), while FSSIA will be valued using book value of its investment as of 30th June 2018.

Assumptions of free cash flow of FSN and its subsidiaries (FSL, FFM, and FC) are as follows:

Key Assumption and Sum-of-the-Parts Valuation

The Independent Financial Advisor has prepared financial projections of the Company from received information, as well as interviews with the management of the Company based on a conservative basis in order to obtain key assumptions. Details of assumptions and sum-of-the-parts valuation are as follows:

Revenue contribution of FNS and its subsidiaries

Type of Revenue (Million Baht)	Operated By	% of Share	2016A		2017A	
(1) Investment, Advisory and Management Business	FNS, FFM, FC	100.00	64.74	15.52%	28.81	5.97%
(2) Securities and Investment Banking Business	FSL	100.00	157.99	37.88%	245.33	50.84%
(3) Warehouse and Factory Leasing Business	FNS	-	187.07	44.85%	180.80	37.47%
(4) Others		-	7.29	1.75%	27.60	5.72%
Total Revenue			417.10	100.0%	482.53	100.0%

According to revenue contribution breakdown above which mainly includes Financial Services Business and Warehouse and Factory Leasing Business, IFA determines fair value of the company base on revenue type as follows:

1. Financial Services Business which includes Investment, Advisory and Management Business, Securities and Investment Banking Business, and Others where they are determined base on recurring basis.
2. Warehouse and Factory Leasing Business which is base on leasing contract which will expires in 20 years.

Assumptions of free cash flow of FSN and its subsidiaries are as follows:

1. Financial Services Business

1.1 Revenue Structure

1.1.1 Investment, Advisory and Management Business

- (1) The company provide financial advisory and other advisory services to subsidiaries and associates as well as non-related customers in the area of management, marketing, and business operation with agreed terms and conditions, IFA estimates future revenue base on current customers with contracts and expected to renew as contract expire but does not includes related /limited transaction.
- (2) Interesting income is contributed by investment in money market and short-term low-risk investment. IFA estimates interest income base on investment portion of 50 million baht this portion is the require capital base on management and company policy. The interest is estimated at 0.85% base on one-year interest returns of TMB Money Market Fund (MTBMF) which the company is currently investing. The company

also lend to non-related party in the amount of 50 million baht with 6.50% interest and intend to continue its lending on current portion up to 100 million baht (IFA assumed re-roll of 50 million baht only)

- (3) Gain/Loss on investment is assumed to not impact in valuation as this portion of revenue is unpredictable, IFA has converted investment portion mark to market as of 30th June 2018 to cash position to add back into company valuation instead.
- (4) Dividend Income, the company also includes in its private equity portfolio includes NEO Thai manufacturer of household and personal care products with investment value 273 million baht under FFM and FB Bangkok-based food service Company with investment value of 20.6 million baht under FC. IFA determines fair value using free cash flow of NEO and FB under appendix 4 – 5 of this report

Investment, Advisory and Management Business (Million Baht)	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Advisory and Management Income	62.57	19.41	12.39	10.80	10.80	10.80	10.80
Interest Income	0.56	5.74	6.04	3.77	3.76	3.75	3.73
Gain/Loss on Investment	1.35	3.39	0.19	-	-	-	-
Dividend Income	0.26	0.12	0.05	-	-	-	-
Total Investment, Advisory and Management Revenue	64.74	28.81	18.68	14.57	14.56	14.55	14.53

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

1.1.2 Securities and Investment Banking Business

- (1) Securities Business, the company focuses on wealth management aspect of business with asset under management (AUM) at 7,412.46 million baht as of 30th June 2018 which includes Specific Fund, Fix Income, and Mutual Fund where the company receive agent fee from the service. IFA estimates increase in securities business income of 3% per annum base on average increase of Gross Domestic Product over the period of 10 years.
- (2) Investment banking services includes financial advisories to firm and individual in aspect of capital structure, merge and acquisition, venture capital, and other related financing activities. IFA base revenue in 2018-19 on company's deals backlog provided by management which has high tendency of success only and does not includes deals which are in development stages. As for 2020 onward IFA estimates increase income of 3% per annum base on average increase of Gross Domestic Product over the period of 10 years.
- (3) Interest income is contributed by investment in money market and short-term low-risk investment. IFA estimates interest income base on investment portion of 70 million baht this portion is the require capital base on management and company policy. The interest is estimated at 0.85% base on one year interest returns of TMB Money Market Fund (TMBMF) which the company is currently investing.

Gain/Loss on investment is assumed to not impact in valuation as this portion of revenue is unpredictable, IFA has converted investment portion mark to market as of 30th June 2018 to cash position to add back into company valuation instead.

Securities and Investment Banking Business (Million Baht)	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Securities Business Income	44.30	26.61	16.49	16.98	17.49	18.02	18.56
Investment Banking Income	110.74	216.85	222.95	272.90	244.69	252.04	259.60
Interest Income	0.39	0.86	0.46	0.75	0.75	0.75	0.75
Gain/Loss from Investment	2.56	1.15	0.63	-	-	-	-
Securities and Investment Banking Revenue	157.99	245.33	240.53	290.63	262.94	270.80	278.90

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

1.1.3 Other Income

The Independent Financial Advisor estimates other incomes that are recurring such as processing fee, other rent income, and office space rental income total 3.6 million baht with no growth which exclude gain/loss from exchange rate as the future exchange rate can be unpredictable.

The company (FNS) revenue structure excludes Warehouse and Factory Leasing Business is as follows:

FNS excludes Warehouse and Factory Leasing Business (Million Baht)	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Investment, Advisory and Management Revenue	63.39	25.27	18.48	14.57	14.56	14.55	14.53
Securities and Investment Banking Revenue	157.99	245.66	240.53	290.63	262.94	270.80	278.90
Other Income	7.29	27.41	3.60	3.60	3.60	3.60	3.60
Total Revenue	228.67	298.34	262.62	308.81	281.10	288.95	297.04

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

1.2 Operating Expense

To calculate selling and administrative expenses of the business of property development for sale, the Independent Financial Advisor used the following assumptions;

Financial Expense	The Company management's policy is to maintain outstanding longterm debenture of 970 million baht and will issue new series of debenture to replace expiring ones. IFA estimates interest expense from outstanding debentures of 4.88% base on current and expected debentures looking forward.
Investment, Advisory and Management	Includes mainly personnel expense where IFA estimaes growth of 3%

Business Expense	per annum in accordance to personnel policy
Securities and Investment Banking Business Expense	Includes mainly personnel expense where IFA estimates growth of 3% per annum in accordance to personnel policy and revenue growth of the business.
Administrative Expenses	Administrative expenses include mainly fixed expense such as license fee, office equipment lease, and automobile lease, IFA estimates growth of 3% per annum in accordance to personnel growth policy and revenue growth of the Securities and Investment Banking Business which is the main contributor of the company's revenue.
Gain / Loss from Investment	The company is expected to booked losses on Provision of L/G in the second half of 2018 and do not expected other related expense in the future.
Directors' remuneration	Directors' remuneration expense is estimated to grow at 3% per annum in accordance to personnel growth policy and revenue growth of the Securities and Investment Banking Business which is the main contributor of the company's revenue

Source: Information of the Company and projections prepared by the Independent Financial Advisor

Operating Expense (Million Baht)	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Financial Expense	57.70	52.51	49.55	47.35	47.35	47.35	47.35
Investment, Advisory and Management Business Expense	35.26	38.79	38.15	39.29	40.47	41.68	42.93
Securities and Investment Banking Business Expense	82.09	108.68	113.60	117.01	120.52	124.13	127.86
Administrative Expenses	54.78	43.04	44.73	46.07	47.46	48.88	50.35
Gain / Loss from Investment	-	23.75	1.13	-	-	-	-
Directors' remuneration	52.20	49.32	52.25	52.32	53.89	55.50	57.17
Total Operating Expense (Million Baht)	282.02	292.33	298.27	302.04	309.68	317.55	325.65

Source: Information of the Company and projections prepared by the Independent Financial Advisor

1.3 Debenture and Loan assumption

Debentur Outstanding	970.00 Million Baht
Expected Effective Interest	4.88% per annum
Durration	Re-roll once expire and issue new Long-Term Debenture with sam rating.

Source: Information of the Company and ThaiBMA

1.4 Capital Expenditure and Depreciation&Ammotization

The Independent Financial Advisor assumed recurring capital expenditure base on previous 3 years of the company with no additional investment (base on management interview) of 8.49 million baht per year. IFA also assumed depreciation and ammotization as follows:

(Million Baht)	2018F	2019F	2020F	2021F	2022F
Capital Investment Expenditure	8.49	8.49	8.49	8.49	8.49
Depreciation and Ammotization	4.78	9.46	6.44	6.58	7.79

Source: Information of the Company and projections prepared by the Independent Financial Advisor

1.5 Operating Cash and Working Capital

The Independent Financial Advisor assume Operating Cash of 120 million baht in accordance to company's management policy and assumed 20.93 days account recieveable base on actual operation on frist half of 2018 which also in line with previous years of 19.84-21.77 days (exclude end of 2017 at 89.95 days which is deem abnormal). On the other hand, account payable is assumed at 37.31 days base on actual operation on frist half of 2018 which also in line with previous year of 33.35 days in 2017.

(Million Baht)	2018F	2019F	2020F	2021F	2022F
Require Cash (Management Policy)	120.00	120.00	120.00	120.00	120.00
Account Revievable	27.78	28.22	26.46	26.49	26.59
Account Payable	39.75	40.16	41.06	42.01	42.86
Working Capital	108.02	108.05	105.40	104.47	103.74

Source: Information of the Company and projections prepared by the Independent Financial Advisor

1.6 Discount Rate

The Independent Financial Advisor use combined operating cash flow of the Company, and adjusted by Cost of Equity (Ke) of the Company, which is calculated at 8.97%

The calculation of Ke is as follows:

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

Whereas:

Risk Free Rate R_f	=	Risk Free Rate is calculated at 2.41% ^{1/} per year, based on 3-year average return from investment in Thai government bond 10 years. (as of 23 August 2018) ^{1/}
Market Expected Return R_m	=	Risk Free Rate is calculated at 10.87% ^{2/} per year, based on 3-year average return as of 23 August 2018
Beta β_l	=	Beta is at 0.78, calculated by comparing volatility of return of the Stock Exchange of Thailand to the return of the Company's share
Market premium, $R_m - R_f$	=	The difference between the market expected return and risk-free rate as of 23 August 2018 is at 8.45%, calculated based on 3-year average daily figures of the difference between the market expected return and risk-free rate

Source: 1/ and2/ Bloomberg as of 23 August 2018

The Calculation of Levered Beta of the Company

Due to Company's revenue structure which has significant portion of revenue contribute by both Financial Service Businesses and Warehouse and Factory Leasing Business, IFA could not find similar company(s) in the Stock Exchange of Thailand, thus IFA assumed the company's own beta which calculated by comparing volatility of return of the Stock Exchange of Thailand to the return of the Company's share of 0.78.

1.7 Terminal Value

For businesses having stable cash flows in the long term, the Independent Financial Advisor assumed the present value of terminal value by using a discount rate equal to K_e of the Target Company. The Independent Financial Advisor expected that the Company will be able to maintain a growth rate of free cash flow over the long term based on the assumption of growth rate of 3% per annum base on average increase of Gross Domestic Product over the period of 10 years.

1.8 Present Value of Cash Flow of Financial Services Business (exclude Warehouse and Factory Leasing)

The Independent Financial Adviser projected cash flow of Financial Services Business and related services of the Company by using assumptions in the calculation of net cash flow to equity which is expected to receive in the future, while, a discount rate is calculated from the cost of equity (K_e). Cash flow projections can be summarized as follows;

(Million Baht)	Unit	2018F	2019F	2020F	2021F	2022F
Investment, Advisory and Management	Million Baht	7.29	14.57	14.56	14.55	14.53
Securities and Investment Banking	Million Baht	143.35	290.63	262.94	270.80	278.90
Other Income	Million Baht	1.45	3.60	3.60	3.60	3.60
Total Revenue	Million Baht	152.09	308.81	281.10	288.95	297.04
Financial Expense	Million Baht	(24.00)	(47.35)	(47.35)	(47.35)	(47.35)
Investment, Advisory and Management Business Expense	Million Baht	(19.98)	(39.29)	(40.47)	(41.68)	(42.93)
Securities and Investment Banking Business Expense		(56.80)	(117.01)	(120.52)	(124.13)	(127.86)
Administrative Expenses	Million Baht	(22.16)	(46.07)	(47.46)	(48.88)	(50.35)
Gain / Loss from Investment	Million Baht	(0.26)	-	-	-	-
Directors' remuneration	Million Baht	(25.40)	(52.32)	(53.89)	(55.50)	(57.17)
Total Cost	Million Baht	(148.34)	(302.04)	(309.68)	(317.55)	(325.65)
Profit Before Interest and Tax	Million Baht	3.75	6.77	(28.57)	(28.59)	(28.61)
Income Tax	Million Baht	(0.75)	(1.35)	5.71	5.72	5.72
Profit After Tax	Million Baht	3.00	5.42	(22.86)	(22.87)	(22.89)
Depreciation and Amortization	Million Baht	4.78	9.46	6.44	6.58	7.79
Capital Expenditure	Million Baht	(4.24)	(8.49)	(8.49)	(8.49)	(8.49)

(Million Baht)	Unit	2018F	2019F	2020F	2021F	2022F
Increasing (Decreasing) In Working Capital	Million Baht	(5.55)	(0.03)	2.66	0.92	0.74
Net Borrowing	Million Baht	(99.90)	0.21	0.23	0.24	0.25
Free Cash Flow to Equity (FCFE)	Million Baht	(101.91)	6.57	(22.02)	(23.62)	(22.60)
Year		0.33	1.33	2.33	3.33	4.33
WACC		8.97%	8.97%	8.97%	8.97%	8.97%
Discount Factor		0.97	0.89	0.82	0.75	0.69

Source: Information of the Company and projections prepared by the Independent Financial Advisor

1.9 Summar of Base Case of Financial Services Business (exclude Warehouse and Factory Leasing)

The Independent Financial Advisor evaluated the reasonableness of the valuation of fair value of the Company by using discounted free cash flow to equity approach with Company's policy to maintain debenture and debt in long-term. The valuation of Financial Services Business and related services can be summarized as follows;

List	Value	Remark
Net present value of cash flow	(144.51)	Million Baht
Terminal Value	(268.52)	Million Baht
Value of Financial Services Business	(413.02)	Million Baht

Source: Projections prepared by the Independent Financial Advisor

The value of Financial Services Business on discount cash flow approach is **(413.02) Million Baht**

2. Warehouse and Factory Leasing Business

The Company has the leasing rights to Warehouse and Factory leasing under the project known as "Bangkok Free Trade Zone (BFTZ)," located on Mueang Mai Bang Phli Road, Bang Sao Thong District, Samut Prakan Province since 2014 with duration of 25 years with rentable space of 89,024 square meter, the investment portion for leasing right is 1,415.9 million baht and has contracted Prospect Development Co., Ltd (PD) under MK to manage its property since 2017 with current rental space of 91% and expected long-term occupancy rate of 94% of total rentable space.

(Square Meter)	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Space Available for Rent	89,024	89,024	89,024	89,024	89,024	89,024	89,024
Occupancy Rate	96%	92%	94%	94%	94%	94%	94%
Rental Rate Per Sq. Meter	180	180	178	180	185	185	185

Source: Information of the Company and projections prepared by the Independent Financial Advisor

2.1 Revenue from Rent

Revenue from BFTZ generates revenue as follows:

Revenue from Rent	The Independent Financial Advisor projected revenue from rent based on the actual number of tenants and new tenants that will replace expire contracts of space available for rent and the aforementioned projection of rental rate
Other Revenue	Other revenues consist of utilities bills (electricity and water supply) of the entire project with growth of 2% base on historical average 10 years inflation.

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

Summary Revenue of Warehouse and Factory Leasing Business

Revenue (THB Million)	2016A	2017A	2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F
Revenue From Rent	184.74	177.47	173.77	180.75	186.18	186.18	186.18	186.18	186.18	186.18
Other Revenues	2.52	3.39	2.49	2.54	1.27	1.27	2.59	1.29	1.29	2.64
Total Revenues	187.26	180.86	176.25	183.29	187.44	187.44	188.76	187.47	187.47	188.81
Revenue (THB Million)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
Revenue From Rent	191.76	191.76	191.76	191.76	191.76	191.76	197.52	197.52	197.52	197.52
Other Revenues	1.32	1.32	2.69	1.35	1.35	2.74	1.37	1.37	2.80	1.40
Total Revenues	193.08	193.08	194.45	193.11	193.11	194.51	198.89	198.89	200.31	198.91
Revenue (THB Million)	2036F	2037F	2038F							
Revenue From Rent	197.52	197.52	197.52							
Other Revenues	1.40	2.85	1.43							
Total Revenues	198.91	200.37	198.94							

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

2.2 Rental Expense

To calculate expenses of warehouses and factory Leasing Business for rent the Independent Financial Advisor compared previous costs of various revenues as follows;

Rental Cost and Expenses	Rental cost and expense consist mainly of common area expense, utilities expense, and marketing expense whereare IFA assumed growth of 2% base on historical average 10 years inflation. As per personnel expense and commission expense are calculate with assumption of 10% new tenant on expires future contracts.
Administrative Expenses	Administrative expenses consist management contract paid to PD.
Leasing Right Ammotization	IFA assumed lease right ammotizatn as per below table

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

Summary of Rental Expenses of Warehouse and Factory Leasing Business

(Million Baht)	2559A	2560A	2561F	2562F	2563F	2564F	2565F	2566F	2567F	2568F
Rental Cost and Expenses	18.76	16.14	17.60	16.51	17.22	18.77	18.83	18.90	20.29	20.38
Administrative Expenses	17.70	16.83	16.89	17.13	17.55	17.46	17.53	17.45	17.36	17.44
Depreciation	57.18	57.18	57.18	57.18	57.18	57.18	57.18	57.18	57.18	57.18
Total Rental Expenses	93.65	90.15	91.67	90.83	91.95	93.41	93.55	93.53	94.83	95.00
(Million Baht)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
Rental Cost and Expenses	20.59	22.12	22.18	22.25	24.08	24.19	24.41	26.42	26.50	26.57
Administrative Expenses	17.90	17.81	17.89	17.80	17.69	17.77	18.25	18.12	18.20	18.11
Depreciation	57.18	57.18	57.18	57.18	57.18	57.18	57.18	57.18	57.18	57.18
Total Rental Expenses	95.67	97.11	97.25	97.24	98.95	99.14	99.84	101.72	101.88	101.87
(Million Baht)	2036F	2037F	2038F							
Rental Cost and Expenses	28.95	29.41	30.75							
Administrative Expenses	17.97	18.03	17.86							
Depreciation	57.18	57.18	57.18							
Total Rental Expenses	104.10	104.62	105.80							

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

Capital Expenditure

The Independent Financial Advisor does not assume future capital expenditure as the total rentable area of the project has reached its maximum space and will require no further investment.

Summary of Financial Projections of Warehouse and Factory Buildings Leasing Business

The Independent Financial Advisor projected cash flows of warehouse and factory Leasing Business using assumptions to calculate net cash flow to equity which is expected to receive in the future. Discount rate is calculated from cost of equity (Ke). Details can be summarized as follows

	Unit	2H2018F	2019F	2020F	2021F	2022F
Revenue from Warehouse and Factory Leasing Business	Million Baht	90.12	183.29	187.44	187.44	188.76
Rent Cost and Expense	Million Baht	8.15	16.51	17.22	18.77	18.83
Administrative Expenses	Million Baht	8.85	17.13	17.55	17.46	17.53
EBIT	Million Baht	73.12	149.64	152.68	151.22	152.40
Depreciation and Amortization	Million Baht	28.83	57.18	57.18	57.18	57.18
Earnings Before Interest and Taxes	Million Baht	44.30	92.46	95.50	94.03	95.22
Income Tax	Million Baht	8.86	18.49	19.10	18.81	19.04
Profit After Tax	Million Baht	35.44	73.97	76.40	75.23	76.17
Depreciation and Amortization	Million Baht	28.83	57.18	57.18	57.18	57.18
Capital Expenditure	Million Baht	-	-	-	-	-
Free Cash Flow to Equity (Equity)	Million Baht	64.26	131.15	133.58	132.41	133.35

	Unit	2H2018F	2019F	2020F	2021F	2022F
Year		0.3	1.3	2.3	3.3	4.3
WACC		8.97%	8.97%	8.97%	8.97%	8.97%
Discount Rate		0.97	0.89	0.82	0.75	0.69

	Unit	2023F	2024F	2025F	2026F	2027F
Revenue from Warehouse and Factory Leasing Business	Million Baht	187.47	187.47	188.81	193.08	193.08
Rent Cost and Expense	Million Baht	18.90	20.29	20.38	20.59	22.12
Administrative Expenses	Million Baht	17.45	17.36	17.44	17.90	17.81
EBIT	Million Baht	151.12	149.82	150.99	154.59	153.16
Depreciation and Amortization	Million Baht	57.18	57.18	57.18	57.18	57.18
Earnings Before Interest and Taxes	Million Baht	93.94	92.64	93.81	97.41	95.97
Income Tax	Million Baht	18.79	18.53	18.76	19.48	19.19
Profit After Tax	Million Baht	75.16	74.11	75.05	77.93	76.78
Depreciation and Amortization	Million Baht	57.18	57.18	57.18	57.18	57.18
Capital Expenditure	Million Baht	-	-	-	-	-
Free Cash Flow to Equity (Equity)		132.34	131.29	132.23	135.11	133.96
Year		5.3	6.3	7.3	8.3	9.3
WACC		8.97%	8.97%	8.97%	8.97%	8.97%
Discount Factor		0.63	0.58	0.53	0.49	0.45

	Unit	2028F	2029F	2030F	2031F	2032F
Revenue from Warehouse and Factory Leasing Business	Million Baht	194.45	193.11	193.11	194.51	198.89
Rent Cost and Expense	Million Baht	22.18	22.25	24.08	24.19	24.41
Administrative Expenses	Million Baht	17.89	17.80	17.69	17.77	18.25
EBIT	Million Baht	154.38	153.05	151.34	152.55	156.23
Depreciation and Amortization	Million Baht	57.18	57.18	57.18	57.18	57.18
Earnings Before Interest and Taxes	Million Baht	97.20	95.87	94.15	95.37	99.05
Income Tax	Million Baht	19.44	19.17	18.83	19.07	19.81
Profit After Tax	Million Baht	77.76	76.70	75.32	76.29	79.24
Depreciation and Amortization	Million Baht	57.18	57.18	57.18	57.18	57.18
Capital Expenditure	Million Baht	-	-	-	-	-
Free Cash Flow to Equity (Equity)	Million Baht	134.94	133.88	132.50	133.47	136.42
Year		10.3	11.3	12.3	13.3	14.3

	Unit	2028F	2029F	2030F	2031F	2032F
WACC		8.97%	8.97%	8.97%	8.97%	8.97%
Discount Rate		0.41	0.38	0.35	0.32	0.29

	Unit	2033F	2034F	2035F	2036F	2037F
Revenue from Warehouse and Factory Leasing Business	Million Baht	198.89	200.31	198.91	198.91	200.37
Rent Cost and Expense	Million Baht	26.42	26.50	26.57	28.95	29.41
Administrative Expenses	Million Baht	18.12	18.20	18.11	17.97	18.03
EBIT	Million Baht	154.35	155.61	154.23	152.00	152.93
Depreciation and Amortization	Million Baht	57.18	57.18	57.18	57.18	57.18
Earnings Before Interest and Taxes	Million Baht	97.16	98.43	97.04	94.82	95.75
Income Tax	Million Baht	19.43	19.69	19.41	18.96	19.15
Profit After Tax	Million Baht	77.73	78.75	77.64	75.86	76.60
Depreciation and Amortization	Million Baht	57.18	57.18	57.18	57.18	57.18
Capital Expenditure	Million Baht	-	-	-	-	-
Free Cash Flow to Equity (Equity)	Million Baht	134.91	135.93	134.82	133.04	133.78
Year		15.3	16.3	17.3	18.3	19.3
WACC		8.97%	8.97%	8.97%	8.97%	8.97%
Discount Rate		0.27	0.25	0.23	0.21	0.19

	Unit	2038F
Revenue from Warehouse and Factory Leasing Business	Million Baht	198.94
Rent Cost and Expense	Million Baht	30.75
Administrative Expenses	Million Baht	17.86
EBIT	Million Baht	150.33
Depreciation and Amortization	Million Baht	57.18
Earnings Before Interest and Taxes	Million Baht	93.15
Income Tax	Million Baht	18.63
Profit After Tax	Million Baht	74.52
Depreciation and Amortization	Million Baht	57.18
Capital Expenditure	Million Baht	-
Free Cash Flow to Equity (Equity)	Million Baht	131.70
Year		20.3

WACC		8.97%
Discount Rate		0.17

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

Summary of Base Case of Warehouses and Factory Leasing Business

The Independent Financial Advisor evaluated the reasonableness of the valuation of fair value of warehouses and factory buildings leasing business by using discounted free cash flow to equity approach. The valuation of warehouses and factory leasing business can be summarized as follows;

Item	Value	Assumption
Present Value of Cash Flow	1,246.46	
Warehouses and Factory Leasing Business	1,246.46	Million

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

Valuation by discounted free cash flow to firm approach of warehouses and factory buildings for rent is equal to THB 1,246.46 million.

3. Investment in Associates and Private Equity Business

In addition to FNS and its subsidiary companies, the company also invests in associate company including FSS at 29.29%, FSSIA at 3.75%, and MK at 10.43%. The company also invest through its private equity unit in two private companies including NEO which expect to file for IPO in first half of 2019 (the company has set the loan to equity conversion of 12.78%) and FB at 6%.

Independent Financial Advisor prepare valuation by discounted free cash flow to add to FNS equity value in appendix 2 – 5 where FSSIA is estimate using book value as of 30th June 2018. The value of each company as follow:

Investment in Associates and Private Equity Business	Fiar Value	Share holding by FNS (%)	Fiar Value to FNS	Remarks
FSS	1,547.09	29.29%	453.08	(Appendix 2)
MK ^{1/}	7,662.47	10.43%	799.29	(Appendix 3)
NEO	2,330.41	12.78%	297.83	(Appendix 4)
FB	657.81	6.00%	39.47	(Appendix 5)
FSSIA	8.00	3.75%	0.68	Book Value as of 30 th June 2018
Total Value to Associates and Private Equity Business			1,590.35	Million Baht

Source: Information of the Company and projections prepared by the Independent Financial Advisor

Remarks: ^{1/} The company has purchasess MK stock through Stock Exchange of Thailand in July 2018 which has increase the total shares of MK from 9.78% to 10.43%

4. Sum-of-the-Part

The valuation of the company and its subsidiaries in Financial Services Business and Warehouse and Factory Leasing Business as well as its associates and private equity holding companies can be determined using discounted cash flow approach can be used in the valuation of fair value

The valuation of the Company by Sum-of-the-Part Valuation is the valuation of the Company by taking into account the ability to generate future cash flows of each business or asset separately in order to reflect the Target Company's value based on fundamental factors of each business or asset. The valuation results can be summarized as follows;

Fair Value	Million Baht
Investment, Advisory and Management Business	(413.02)
Warehouses and Factory Leasing Business	1,246.46
Associates and Private Equity Business	1,590.35
Cash and Cash Equivalent ^{1/}	244.28
Adj. Purchasing of additional MK Shares ^{2/}	(26.61)
Total Fair Value	2,641.45
Number of Share	247.04
Share Value (THB Per Share)	10.69

Source: Projections prepared by the Independent Financial Advisor and information based on the financial statements of the Company as of 31 March 2018, which has been reviewed by an auditor approved by the SEC Office

Notes: 1/ Cash and Cash Equivalent¹ as of 30th June 2018 deducted 120 million baht require operating cash as per company's management policy

2/ The Company has purchased additional 6,503,500 shares of MK in July 2018 for 26.61 million baht, which made the company's holding in MK increase from 9.78% to 10.43%

5. Sensitivity Analysis

The Independent Financial Advisor has conducted a sensitivity analysis of the evaluation of reasonableness of the Target Company's fair value on the base case in order to cover all ranges of impacts that are expected to arise from changes in 2 factors, including;

- (1) The discount rate from financial costs with the cost of equity (ke) in order to calculate the fair values of the Company that reflect all possibilities of various the Independent Financial Advisor used Ke of the base case at 8.97 percent and assumed the increase and decrease by 0.50 percent. Therefore, the maximum and minimum Ke are in a range of 7.97 – 9.97 percent.
- (2) Changes in revenue: in order to calculate the fair values that cover fluctuations in revenues which are reflected in gross margin, the Independent Financial Advisor assumed the increase and decrease in gross margin by 0.50 percent from the base case. Therefore, changes in revenue rate will be -1.00 percent to + 1.00 percent.

Sensitivity Analysis

Rate of Return for Discounted Cash Flow Approach

Fair Value of FNS		Cost of Equity (Ke)				
(Million baht)		9.97%	9.47%	8.97%	8.47%	7.97%
Change in Revenue	1.00%	2,547.29	2,624.46	2,706.90	2,795.27	2,890.47
	0.50%	2,518.28	2,593.73	2,674.18	2,760.22	2,852.66
	0.00%	2,489.28	2,562.99	2,641.45	2,725.17	2,814.86
	-0.50%	2,460.27	2,532.25	2,608.72	2,690.12	2,777.06
	-1.00%	2,431.27	2,501.52	2,575.99	2,655.07	2,739.26

Fair Value per Share		Cost of Equity (Ke)				
(Million baht)		9.97%	9.47%	8.97%	8.47%	7.97%
Change in Revenue	1.00%	10.31	10.62	10.96	11.32	11.70
	0.50%	10.19	10.50	10.82	11.17	11.55
	0.00%	10.08	10.37	10.69	11.03	11.39
	-0.50%	9.96	10.25	10.56	10.89	11.24
	-1.00%	9.84	10.13	10.43	10.75	11.09

Discounted Cash Flow Approach has significant fluctuations from change in profitability of the Company and change in Ke, which resulting of the fair value in the range of THB 9.84 – 11.70 per share. However, Discounted Cash Flow Approach does not consider about future business plan after increase in capital from rights offering as the company is in the process of business consideration and negotiation with outside parties and cannot be disclosed to IFA, thus the usage of funds cannot be determine using discount cash flow approach. The Discounted Cash Flow Approach prepare by The Independent Financial Advisor does not reflect cash flow after business change.

1.3.6 Summary of Appropriateness of the Offering Price of Newly Issued Shares

Table of company's valuation summary with comparison between fair value from different approaches and offer price is provided as following:

Valuation Approach	Fair Value (Baht per share)	Offer Price for RO by Mr. Vorasit ^{1/}	Fair Value is higher (lower) than the Offer Price	
			THB	Percent
1) Book Value Approach	9.20	5.00	4.20	83.92
2) Adjusted Book Value Approach	9.20	5.00	4.20	83.92
3) Volume Weighted Average Price Approach	4.34 – 4.63	5.00	(0.66) – (0.37)	(13.18) - (7.47)
4) Market Comparable Approach	N/A	5.00	N/A	N/A
5) Discount Cash Flow Approach	9.84 - 11.70	5.00	4.84 - 6.70	96.80 – 134.00

Source: Company's Financial Statement as of 30 June 2018 and Independent Financial Advisor's Estimation

Remark: 1/ The offering price of newly issued shares by the waiver requester is the same as the offer price for existing shareholders to exercise right offering (RO)

From the table, the range of fair value by all approaches is between baht 4.34 – 11.70 per share. All approaches have different advantages and disadvantages which reflect the appropriateness of particular fair value differently. IFA opined that the most appropriate approach is Discounted Cash Flow Approach which results in the fair price of baht 9.84 – 11.70 per share. The details are shown below.

1) Book Value Approach

Book Value Approach is the method which reflects the value of shareholders' at any point of time and does not reflect profit generating ability in the future, competitiveness of business, economic trend, industry outlook. Therefore, independent financial advisor views that this valuation approach is not appropriate for evaluate the fair value of the company and unable to reflect the intrinsic value of company

2) Adjusted Book Value Approach

Valuation by this approach will reflect the value of shareholders' equity better than Book Value Approach since this approach will bring the result from 1) Book Value Approach to adjust by updating value of land building and construction through the latest appraisal, and divided by number of shares. However, since most current and non-current asset of the company has already reflected the current fair value, IFA didn't adjust the book value. Moreover, the Adjusted Book Value Approach doesn't reflect the ability of profit generating as well as future operating performance of the company. IFA opined that this approach doesn't reflect fair value of the company

3) Volume Weighted Average Price (VWAP)

Market price is mechanism that driven by demand and supply of investors to the company which can reflect the value along with fundamental and demand from investor to performance and potential of the

company, but doesn't reflect the ability of profit generating in the future from investment plan, future project, and any business plans that haven't published yet etc. Thus, IFA viewed that this approach is not appropriate for FNS valuation

4) Market Comparable Approach

a. Price to Book Value Ratio Approach

Since FNS business engages corporate advisory and investment banking, fund management and advisory, direct investment, warehouse and factory leasing, and securities brokerage, there is no stock or listed company in Stock Exchange of Thailand that's comparable to FNS, and the book value can't be divided into each business type in order to compare to each business's peer list. Thus, this approach can't be conducted and inappropriate for the valuation

b. Price to Earnings Ratio Approach

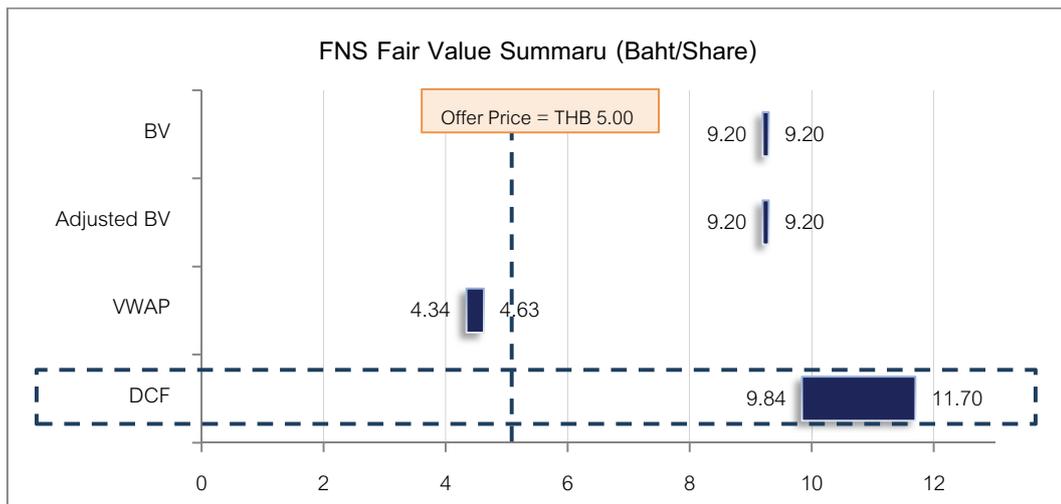
Since FNS business engages corporate advisory and investment banking, fund management and advisory, direct investment, warehouse and factory leasing, and securities brokerage, there is no stock or listed company in Stock Exchange of Thailand that's comparable to FNS, and the earning can't be divided into each business type in order to compare to each business's peer list. Thus, this approach can't be conducted and inappropriate for the valuation

c. Enterprise Value / Earnings Before Interest, Tax, Depreciation and Amortization Multiples Approach or EV/EBITDA Ratio

Since FNS business engages corporate advisory and investment banking, fund management and advisory, direct investment, warehouse and factory leasing, and securities brokerage, there is no stock or listed company in Stock Exchange of Thailand that's comparable to FNS, and the EBITDA can't be divided into each business type in order to compare to each business's peer list. Thus, this approach can't be conducted and inappropriate for the valuation

5) Discounted Cash Flow Approach

Discounted Cash Flow Approach is the valuation to reflect on earnings and cash flow generating ability from the company in the future which can be evaluated by present value of net cash flow. The estimation is based on assumption and information received from the company under current economic and situation. However, any changes in the future which have impact to regarding assumptions significantly, future earnings of the company may not follow the expectation including fair value of the company. Nevertheless, Independent financial advisor conducted Sensitivity Analysis on 2 factors which change in revenues and discount rate to reflect ability in earnings and cash flow generating in the future along with sensitivity analysis. Therefore, this valuation approach is the most appropriate for the company valuation.



From Football Field displayed above, each valuation method has differently pros and cons as mentioned above. Independent financial advisor viewed that the most appropriate valuation approach for FNS is Discounted Cash Flow Approach. The estimation by Discounted Cash Flow Approach is based on assumption and information received from the company under current economic and situation. However, any changes in the future which impact the assumptions significantly, company's future perating performance may not be as expected and any changes of particular variables may result in change in value, causing change in fair value evaluated by this approach.

The Independent Financial Advisor is of opinion that fair value of the company is THB 10.69 per share, according to base case scenario, which is THB 5.69 per share higher than The Offer price, or accounted to 113.80 percent higher than Offer price. Moreover, IFA has conducted sensitivity analysis to absorb major factors, the change in revenues and discount rate, that influences fair value, resulting in price range of THB 9.84 – 11.70 per share, which is THB 4.84 – 11.70 per share higher than Offer price or 96.80 – 134.00 percent higher than Offer price.

In consideration of the fairness of Offer Price, the THB 5.00 of offering price is lower than FNS fair value which is in the range of baht 9.84 – 11.70 per share, based on Discounted Cash Flow approach. In addition, the baht 5.00 of offering price is the same price as the price offered to all shareholders who are able to buy shares below fair value, thus deemed as beneficial and advantageous to all shareholders who subscribe the right offering, although the offering price is higher than the trial 7-days volume weighted average price, 4.17 baht per share. **In conclusion, IFA is of the opinion that the Offering price is the inappropriate and fair price.**

In addition, the right offering by issuing new shares is offered to the existing shareholders for the amount proportionate to existing shareholdings. The details of Right Offering specified that the existing shareholders has priority to exercise the right to subscribe the shares and oversubscribe the shares to maintain the percentage of shareholding and control as well as protect their interests from Right Offering.

1.4 The Completeness and Accuracy of the List of Names and the Number of Shares Held by the Waiver Requester's Related Person as per Article 258

As of the date that the waiver requester submitted the intention of waiver and copy of "Request form for shareholders' meeting resolution to approve acquisition of new securities without requirement to make a tender offer for all securities of the business" (Form 247-7) to SEC, the waiver requester list, including the related person as per Article 258, the concert party, and the related person as per Article 258 of such related person, comprises Mr. Vorasit Pokachaiyapat and his related person as per Article 258 as follows:

Shareholder	Number of Shares	Percentage of Paid-up Capital and Voting Right
Mr. Vorasit Pokachaiyapat		
- Mr. Vorasit Pokachaiyapat	20,980,000	8.49
- M.L. Suddhiman Pokachaiyapat ^{1/}	10,500,000	4.25
- Morgan Stanley & Co. International Plc. ^{2/}	13,776,855	5.58
Total	45,256,855	18.32

Remarks: 1/ Related person as per Article 258 of the waiver requester (The spouse of Mr. Vorasit Pokachaiyapat)

2/ Custodian for securities trading account of the waiver requester and M.L. Suthiman Pokachaiyapat who is the waiver requester's spouse and related person as per Article 258. The existing 13,776,855 shares are shares that the waiver requester received and deposited under such account. The waiver requester also use the voting right through the custodian ("Custodian")

1.5 Conclusion of IFA Opinion on Waiver from Mandatory Tender Offer by Using the Resolutions of Shareholders' Meeting (Whitewash)

With reference to the increase in the Company's registered capital by issuing 98,815,840 new ordinary shares to existing shareholders proportionate to their shareholdings (Right Offering), the waiver requester, as a major shareholder and Managing Director, declared the intention to subscribe and oversubscribe for new ordinary shares in a total amount of not exceeding 98,815,840 shares, accounted to the value of not exceeding baht 494,079,200 which is sufficient amount to company's need of fund. The company planned to expand the business by direct investment, investment in subsidiaries, or investment in private equity.

Direct Investment business is the existing business of the Company and its subsidiaries. In the past, the Company and its subsidiaries have been conducting direct investments in companies or funds with the business areas that can support and extend the group's businesses. This business expansion in direct investment is to conduct additional investments in companies and/or funds in the form of private equity investments.

In addition, the additional investments in associated companies, as aforementioned, are in accordance with the investment policies of the Company which allow the Company to invest in several subsidiaries and associated companies in order to advocate the group's businesses in providing various financial services, including investment banking, wealth management, fund management and advisory, venture capital, securities brokerage, and property development.

However, the investment plan of the Company and its subsidiaries in the form of direct investment and/or additional investments in private equity are in accordance with the investment policies of the Company and its subsidiaries, as well as normal investment transactions that the Company and its subsidiaries are currently operating. The management of the Company may consider investment formats, worthwhileness of the investments, and investment returns in order to ensure that the Company will receive maximum benefits. Since the investment plan is still the preliminary study of companies that the Company plans to invest. In addition, the aforesaid investment projects are still in negotiation process with relevant parties and there is still no obvious conclusion that can be disclosed at this time. Therefore, the investment plan of the Company may not be as expected due to internal and external factors such as economic conditions, changes in consumption and services that may affect the operation of invested projects and investment returns.

The shareholders expose to dilution effect after entering into the transaction. The shareholders will be affected in terms of control dilution effects in the event that there is no shareholder subscribing for newly issued ordinary shares in which the control will be diluted by 28.57 percent. While earnings dilution will affect both existing shareholders who subscribe or do not subscribe for newly issued ordinary shares in which earnings will be diluted by 28.57 percent. Moreover, in the event that the waiver requester and related person as per Article 258 have significantly increased shareholding or have shareholding more than 25 percent but not exceeding 50 percent of the total voting rights of the Company, the waiver requester and related person as per Article 258 will be able to exercise a block vote on certain matters that are required votes of not less than three-fourths of the total votes of the shareholders who attend the meeting and are entitled to vote.

For part of fairness of price, the THB 5.00 of offering price is offered to the waiver requester as well as other shareholders. IFA viewed that the fair value of FNS should be based on Discount Cash Flow Approach which is in the range of baht 9.84 – 11.70 per share and lower than the Offer Price. In addition, the baht 5.00 of offering price is the same price as the price offered to all shareholders who are able to buy shares below fair value, thus deemed as beneficial and advantageous to all shareholders who subscribe the right offering, although the offering price is higher than the trial 7-days volume weighted average price, 4.17 baht per share. **In conclusion, IFA is of the opinion that the Offering price is the inappropriate and fair price.**

In addition, the right offering by issuing new shares is offered to the existing shareholders for the amount proportionate to existing shareholdings. The details of Right Offering specified that the existing shareholders has priority to exercise the right to subscribe the shares and oversubscribe the shares to maintain the percentage of shareholding and control as well as protect their interests from Right Offering.

Therefore, IFA has an opinion that the waiver from mandatory tender offer obligation by using the resolutions of shareholders' meeting (whitewash) is reasonable. Price and conditions of the transaction are fair. And the shareholders will receive benefits from entering into the transaction. Accordingly, the shareholders should resolve to **approve** the waiver from mandatory tender offer obligation by using the resolutions of shareholders' meeting (whitewash).

2: The Connected Transaction**2.1 Characteristics and Details of the Connected Transaction****2.1.1 Objective and Information of the Transaction**

Whereas, the Board of Directors' Meeting of Finansa Public Company Limited (the "Company") No. 5/2018, held on August 23, 2018 and Notification of changing the date of the Extraordinary General Meeting of Shareholders No. 1/2561 dated 31 August 2018, and amendment have resolved to propose to the meeting of shareholders to consider and approve the offering and sale of new ordinary shares of the Company in an amount 98,815,840 shares to existing shareholders proportionate to shareholding (the "Rights Offering" or "RO"). Mr.Vorasit Pokachaiyapat and his related person as per Article 258 ("Mr.Vorasit"), a major shareholder and a managing director of the Company, intends to oversubscribe for such new ordinary shares in a total amount of not exceeding 98,815,840 shares, consisting of 18,102,742 shares from RO allotment and 80,713,098 shares from oversubscription allotment.

Mr. Vorasit group, a major shareholder and managing director, who did not attend the Board of Directors' Meeting of the Company No. 5/2018, has submitted the letter to the meeting expressing that Mr. Vorasit group has intention to subscribe and oversubscribe for new ordinary shares in a total amount of not exceeding 98,815,840 shares, consisting of 18,102,742 shares from RO allotment and 80,713,098 shares from oversubscription allotment. In this regard, the oversubscription of shares by Mr.Vorasit group as mentioned in 4. is considered the transaction with a connected person in accordance with Notification of the Capital Market Supervisory Board No. ThorChor. 21/2008 re: Rules on Entering into Connected Transactions, dated August 31, 2008 (as amended), and Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and other Acts of Listed Companies Concerning the Connected Transactions, B.E. 2546 (2003), dated November 19, 2003 (as amended) ("Notifications on Connected Transaction"). Such transaction is considered the connected transaction in category of assets or services, whose transaction size calculated from the maximum value of the transaction is 35.22 percent of net tangible assets of the Company, based on the consolidated financial statement of the Company as of June 30, 2018; and the Company has no other connected transactions during the six-month period prior to the Board of Directors' Meeting resolving to propose to the shareholders to approve the entering into this transaction. This transaction is considered a transaction with the transaction size of more than 3% of net tangible assets of the Company. Therefore, the Company has the duties to disclose the information on the connected transaction to the Stock Exchange of Thailand (the "SET"), to appoint an independent financial advisor, and to hold a shareholders meeting to approve the entering into such transaction, of which the resolution of shareholders' meeting to approve this transaction shall be no less than

three-fourths of the total votes from shareholders who attend the meeting and are entitled to vote, excluding the votes from shareholders with interests therein.

In this regard, the Board of Directors' Meeting No. 5/2018 held on August 23, 2018 and Notification of the amended Date of the Extraordinary General Meeting of Shareholders No. 1/2018 dated August 31, 2018 has resolved to propose to the Extraordinary General Meeting of Shareholders of the Company No. 1/2018 to be held on October 22, 2018 to consider and approve entering into this transaction.

2.1.2 Date of Transaction

After obtaining approval from the Extraordinary General Meeting of Shareholders of the Company No. 1/2018 to be held on October 22, 2018, the Company expects that the transaction shall be completed within the fourth quarter of 2018.

2.1.3 Details of Connected Person

Name of the Connected Person : Mr.Vorasit Pokachaiyapat
 Position in the Company : Director and Managing Director
 Shareholding in the Company : Shareholding in the Company by Mr.Vorasit as of March 13, 2018, which is the latest share register book closing date, can be summarized as follows:

Shareholder	Number of Shares	Percentage of Paid-up Capital
Mr.Vorasit Pokachaiyapa		
– Mr.Vorasit Pokachaiyapa	20,980,000	8.493
– M.L. Suddhiman Pokachaiyapat ^{1/}	10,500,000	4.250
– Morgan Stanley & Co. International Plc. ^{2/}	13,776,855	5.577
Total	45,256,855	18.320

Remarks: 1/ The related person as per Article 258 (Mr. Vorasit Pokachaiyapat's spouse)

2/ Custodian for securities trading account of the waiver requester and M.L. Suthiman Pokachaiyapat who is the waiver requester's spouse and related person as per Article 258. The existing 13,776,855 shares are shares that the waiver requester received and deposited under such account. The waiver requester also use the voting right through the custodian ("Custodian")

Relationship : Connected Person: since Mr. Vorasit POKachaiyapat is director and major shareholder of the company

The transaction, thus, is considered as "connected transaction" in accordance with Notification of the Capital Market Supervisory Board No. ThorChor. 21/2551 re: Rules on Entering into Connected Transactions, dated August 31, 2008 (as amended), and Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and other Acts of Listed Companies Concerning the Connected Transactions, B.E. 2546 (2003), dated November 19, 2003 (as amended) ("Notifications on Connected Transaction").

2.1.4 Type and Transaction Size

(1) Calculation of Transaction Size

The Company will issue and allot 98,815,840 new ordinary shares to existing shareholders proportionate to their shareholding at an offering ratio of 2.5 old shares to 1 new ordinary share, in a total amount of not exceeding 98,815,840 shares with a par value of Baht 5.00 per share. Mr. Vorasit intends to oversubscribe for such new ordinary shares in a total amount of not exceeding 98,815,840 shares, which includes shares received from RO allotment and from oversubscription allotment. At present, Mr. Vorasit hold shares of the Company in an amount of 45,256,855 shares; therefore, the shares received from RO allotment is approximately 18,102,742 shares and Mr. Vorasit will oversubscribe for remaining 80,713,098 new ordinary shares, whose value can be calculated as follows:

Calculation Method	Details on calculation of value of shares received from oversubscription allotment	Transaction Size
Book Value as of June 30, 2018	<p>[Value of oversubscription allotment by consideration of book value / NTA of company] x 100</p> $= [742.56 / 2,108.43] \times 100$ <p>whereas:</p> <ul style="list-style-type: none"> - Shareholders; Equities = Baht 2,271.83 million..... (1) - Paid-up ordinary share = 247,039,600 shares..... (2) - Book value per share = Baht 9.20 per share..... (3) = (1)/(2) - Oversubscription allotment = 80,713,098 shares.....(4) - Book Value of shares received from oversubscription allotment = Baht 742.56 million.....(5) = (3)x(4) - Net Tangible Asset (NTA) = Baht 2,108.43 million.....(6) 	35.22%
Market Price	<p>[Value of oversubscription allotment by consideration of market price / NTA of company] x 100</p> $= [335.77 / 2,108.43] \times 100$ <p>whereas:</p> <ul style="list-style-type: none"> - Weighted average price of the Company's ordinary shares during the period of 7 business days prior to the Board of Directors' Meeting of Baht 4.16 per share.....(1) - Oversubscription allotment = 80,713,098 shares(2) - Value of shares received from oversubscription allotment = Baht 335.77 million.....(3) = (1) x (2) 	15.92%
Value of Consideration	<p>[Value of oversubscription allotment by consideration of offering price / NTA of company] x 100</p> $= [403.57 / 2,108.43] \times 100$ <p>whereas:</p> <ul style="list-style-type: none"> - Offering Price = Baht 5.00 per share.....(1) - Oversubscription allotment = 80,713,098 shares(2) 	19.14%

Calculation Method	Details on calculation of value of shares received from oversubscription allotment	Transaction Size
	- Value of shares received from oversubscription allotment = Baht 403.57 million(3) = (1) x (2)	
Summary of Transaction Size (Maximum Value)		35.22%

Remark: Net tangible assets of the Company based on the consolidated financial statements as of June 30, 2018

Net Tangible Asstes: NTA

Net Tangible Asset of company according to the audited financial statement (consolidated) as of June, 30, 2018 is calculated as follows:

$$\begin{aligned}
 \text{NTA of the company} &= \text{Total asset} - \text{Goodwill} - \text{Net Intangible Asset} - \text{Deferred Tax Asset} - \text{Total Liability} \\
 &= 3,545.95 - 156.92 - 5.29 - 1.19 - 1,274.12 \\
 &= \text{THB } 2,108.43 \text{ million}
 \end{aligned}$$

Such transaction is considered the connected transaction in category of assets or services, whose transaction size calculated from the maximum value of the transaction is 35.22 percent of net tangible assets of the Company; thus, this transaction is considered a transaction with the transaction size of more than 3% of net tangible assets of the Company. Therefore, the Company has the duties to disclose the information on the connected transaction to the Stock Exchange of Thailand (the "SET"), to appoint an independent financial advisor, and to hold a shareholders meeting to approve the entering into such transaction, of which the resolution of shareholders' meeting to approve this transaction shall be no less than three-fourths of the total votes from shareholders who attend the meeting and are entitled to vote, excluding the votes from shareholders with interests therein. The company will send the invitation letter to shareholders' meeting, of which the information in accordance with notification of connected transaction, with IFA opinion report not less than 14 days before the date of shareholders' meeting.

2.1.5 Total Value of Consideration and Payment Method

Mr. Vorasit intends to oversubscribe for new ordinary shares, which includes shares received from RO allotment and from oversubscription allotment, in a total amount of not exceeding 98,815,840 shares, At present, Mr.Vorasit hold shares of the Company in an amount of 45,256,855 shares; therefore, the shares received from RO allotment is approximately 18,102,742 shares and Mr.Vorasit will oversubscribe for remaining 80,713,098 new ordinary shares. With an offering price for RO of Baht 5 per share, the total value of consideration is equal to Baht 403,565,490.

For the payment method, the payment shall be made during the subscription period via bank transfer, or cheque, any other method to be specified in the notice of allotment of share.

2.1.6 Summary of Finansa Public Company Limited

Please see Attachment 1 of this Independent Financial Advisor report

2.2 Opinion of Independent Financial Advisor on Reasonableness of connected transaction

2.2.1 Objectives of the Transaction

Whereas, the company offer and sell new ordinary shares of the Company in an amount of 98,815,840 shares to existing shareholders proportionate to shareholding ("Rights Offering"). Mr. Vorasit Pokachaiyapat and his related person as per Article 258 or M.L. Suddhiman Pokachaiyapat ("Mr. Vorasit group"), a major shareholder and a managing director of the Company, intends to oversubscribe for such new ordinary shares in a total amount of not exceeding 98,815,840 shares, consisting of 18,102,742 shares from RO allotment and 80,713,098 shares from oversubscription allotment.

The oversubscription of shares by Mr.Vorasit group as mentioned above is considered as a connected transaction as discussed in details above. Therefore, the Company is required to disclose the transaction to the SET, appoints the Independent Financial Advisor, and arranges for the shareholders' meeting of the Company to approve the entering into the transaction. The Board of Directors Meeting of the Company No. 5/2018, excluding Mr.Vorsit group who is a director with conflicting interest did not attend the meeting during this agenda and had no voting rights on the matter, has considered the relevant information and has an opinion on the transaction. Based on the fact that Mr.Vorasit, who is a connected person of the Company, will oversubscribe for new ordinary shares with the method for subscription, payment, and share allotment not different from other shareholders, and such oversubscription will help support the success of the fundraising of the Company in this occasion, which will be beneficial to the business operation of the Company, the Board of Directors' Meeting has resolved to propose to shareholders' meeting to approve the connected transaction.

2.2.2 Advantages and Disadvantages of Entering into the Transaction

Advantages of Entering into the Transaction

- (1) *The Company has sufficient capital to expand its investment business.*

The issuance and offering of newly issued ordinary shares of the Company in the amount of 98,815,840 shares to the existing shareholders in proportion to their shareholding (Right Offering) at the offering price of Baht 5 per share, the Company will receive capital in the amount of Baht 494.08 million for expanding its direct investment and additional investment in associated companies in property business, securities business, as well as private equity investments in some companies, preliminarily, in food business, products and services for health business, and other interesting businesses. The projects mentioned above are expected to use capital in the amount of not exceeding Baht 1,000.00 million by using funds from this capital increase of no more than Baht 494.08 million and the remaining capital will come from loans or the issuance of debentures. Currently, the aforesaid investment projects are still in

negotiation process with relevant parties and there is still no obvious conclusion that can be disclosed at this time. Initially, the Company expects to spend capital for the first project in the amount of not exceeding Baht 700.00 million and expects to start investing in such project within the fourth quarter of 2018 and the investment will be completed within 2019.

In addition, if the Company can raise funds in the full amount of Baht 494.08 million, the Company will be able to follow the investment plan as prepared and if there is remaining cash, it will be used as working capital of the Company to enhance the financial liquidity of the Company.

(2) *The Company still has a strong financial structure subsequent to the investment.*

According to the initial investment plan received from the Company, the sources of funding will be the issuance and offering of newly issued ordinary shares in the amount of Baht 494.08 million, partly together with loans or the issuance of debentures. The Company will try to maintain a debt to equity ratio (D/E Ratio) to be less than 1 time. Therefore, if after entering into the transaction, the Company will be able to raise funds for using in accordance with the Company's objectives in which the investment will not be the Company's burdens and will not affect the financial structure significantly. According to calculation based on the Company's consolidated financial statements as of June 30, 2018, the capital increase in the amount of Baht 494.08 million will cause an increase in shareholders' equity of the Company from Baht 2,271.83 million to Baht 2,765.91 million and debt to equity ratio (D/E Ratio) will reduce from 0.56 times to 0.46 times. While, if there are investments in line with the investment plan by using the amount of investments of approximately Baht 700 - 1,000 million in which the investment amount of Baht 494.08 million in addition to capital increase will come from loans or the issuance of debentures in the amount of approximately Baht 205.92 - 505.92 million. Therefore, D/E Ratio still remains at a low level, not much different from the previous one in the range of 0.54 - 0.64 times. In addition, in the event that there is remaining cash from business expansion aforementioned, it will be used as working capital in order to operate the Company's businesses.

The effect on financial structure under the assumption that the company plans to invest baht 700 – 1,000 million approximately is divided into 2 cases Case 1: all agendas get approval Case 2: the agenda of increase in registered capital does not get approval. The impacts are summarized as follows:

Case 1: all agendas get approval	:	The company receives baht 494.08 million fund from capital increase, causing D/E ratio to decrease and equal to 0.46 times after capital increase. The remaining source of fund is borrowing or bond issuance of baht 205.92 – 505.92 million, resulting D/E
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		ratio remain at the level indifferent from original level which is 0.54 – 0.64 times.
Case 2: the agenda of increase in registered capital does not get approval	:	The company need to raise fund by borrowing or bond issuance of baht 700 – 1,000 million, causing D/E ratio to increase considerably and equal to 0.87 – 1.00 times

(3) Shareholders have the opportunity to receive higher returns in the future.

After the implementation of capital increase plan according to an initial disclosure by the Company, the Company will have sufficient financial liquidity to expand its businesses and invest in projects in order to generate growing operating performance in the future. Moreover, the Company may invest more in food business, products and services for health business, or expand its investments in private equity, etc., which is a diversification of revenue bases and profits apart from the core business of the Company in financial investments, securities brokerage, property development. This diversification helps reduce risks and volatility of operating results and creates opportunities for good returns in the long term.

However, the aforementioned plan is still in the preliminary study of companies that the Company plans to invest. In addition, the aforesaid investment projects are still in negotiation process with relevant parties and there is still no obvious conclusion that can be disclosed at this time. Therefore, the investment plan of the Company may not be as expected due to internal and external factors such as economic conditions, changes in consumption and services that may affect the operation of invested projects and investment returns.

(4) The capital increase does not affect in terms of price dilution.

Since the issuance and offering of newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering) of the Company at this time, the offering price is equal to Baht 5.00 per share, which is higher than the weighted average market price of the Company's ordinary shares during the period of 7 business days prior to the Board of Directors' meeting No. 5/2018 held on August 23, 2018. The Board of Directors' meeting has resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2018 on the relevant agenda at the average price of Baht 4.17 per share. Thus, the existing shareholders of the Company will not be affected by price dilution effects from the issuance and offering of newly issued ordinary shares. Meanwhile, the market capitalization of the Company will increase from Baht 1,028.28 million to Baht 1,439.58 million (calculated by using the assumption of the weighted average market price of FNS's shares at Baht 4.17 per share).

The capital increase at the offering price of newly issued ordinary shares at Baht 5.00 per share, which is equal to par value of the shares and lower than the book value of the Company by calculating from the consolidated financial statements of the Company as of June 30, 2018, equal to Baht 9.20 per share, will not generate discount on share capital in part of shareholders' equity in financial statements. However, the capital increase at the offering price of Baht 5.00 per share is higher than the market price. Thus, if the capital increase is conducted at the offering price equal to the book value, the opportunity that the majority of shareholders to subscribe for newly issued ordinary shares and the possibility that the Company will receive capital as required will decline accordingly.

(5) ***Reduction of illiquidity risk.***

According to operating results of the Company in the consolidated financial statements for the 3-month period ended June 30, 2018, the Company's net loss was equal to Baht 14.84 million, mainly came from a decrease in revenue. Revenue from securities brokerage decreased from Baht 67.85 million in the second quarter of 2017 to Baht 24.96 million in the second quarter of 2018, or a decrease of 63.21 percent compared to the same period in 2017 because in the second quarter of 2017 the Company was successful in businesses of financial advisor and underwriter. While the cost of services and administrative expenses increased from Baht 12.23 million in the second quarter of 2017 to Baht 23.25 million in the second quarter of 2018, or an increase of 47.41 percent which was derived from unrealized loss on exchange rate of assets and liabilities in Baht of overseas subsidiaries. Cash flow remained at the same level in which the Company had cash and cash equivalents of Baht 88.95 million and short-term investments of Baht 264.80 million. The aforementioned losses were short term operating results which did not reflect the overall picture of the business in the long term and the opportunity of investments expansion in the future. In addition, the operating results for the 6-month period ended June 30, 2018, the Company still had net profit of Baht 23.24 million.

According to the clarification of the Company regarding the investment plan in various projects which is expected to use capital of approximately Baht 1,000.00 million, the Company will receive funds of not exceeding Baht 494.08 million from this capital increase which will improve financial liquidity and working capital of the Company to be ready for investments, reducing financing costs from loans or the issuance of debentures, reducing illiquidity risk, and having more capability to leverage if there are appropriate business opportunities in the future.

The effect on the Company's liquidity, based on the assumption that the company plans to invest baht 700 – 1,000 million approximately, is divided into 2 cases Case 1: all agendas get

approval Case 2: the agenda of increase in registered capital does not get approval. The impacts are summarized as follows:

Case 1: all agendas get approval	:	The company receives baht 494.08 million fund from capital increase, causing increase of current asset which equals to baht 971.93 million while current liability equals to baht 449.99 million, causing 2.16 times of current ratio from 1.06 times. From use of fund plan for the amount of baht 700 – 1,000 million, the finance cost of company will increase from borrowing or bond issuance of baht 205.92 – 505.92 million
Case 2: the agenda of increase in registered capital does not get approval	:	If the company is unable to raise fund through capital increase, the company has to borrow or issue bond for the whole amount of investment, causing company's debt burden to increase baht 700 – 1,000 million and interest burden to increase from fund raising through borrowing or bond issuance for the amount of baht 700 – 1,000 million

2.2.1 Disadvantages of Entering into the Transaction

(1) *The existing shareholders will be affected by the issuance of newly issued ordinary shares.*

- Control Dilution

In the event that the existing shareholders subscribe for newly issued ordinary shares in proportion to their rights or oversubscribe for newly issued ordinary shares, the existing shareholders will not be affected by control dilution effects. However, if the existing shareholders do not subscribe for newly issued ordinary shares, shareholding and voting rights of the existing shareholders will decrease (Control Dilution) from 81.68 percent to 58.34 percent, representing a reduction in the voting rights by 28.57 percent.

- Earnings Dilution

For the capital increase at this time, all existing shareholders will be affected by earnings dilution effects which will decrease from Baht 0.35 per share to Baht 0.25 per share, or decreased by 28.57 percent since the Company's total number of shares will increase from the capital increase of 98,815,840 shares. Therefore, the Company's total number of shares will increase from the previous amount of 247,039,600 shares to 345,855,440 shares. Calculation of the Company's net profit above was the calculation as of June 30, 2018, which excluded the profits that may arise from the capital increase in the future.

- Price Dilution

Since the issuance and offering of newly issued ordinary shares at the offering price of Baht 5.00 per share, which is higher than the weighted average market price of FNS's shares during the period of 7 business days prior to the Board of Directors' meeting No. 5/2018 held on August 23, 2018 at Baht 4.17 per share¹, the existing shareholders of the Company will not be affected by price dilution effects.

The effect on shareholder from Control Dilution, Earning Dilution, and price Dilution is summarized as follows:

Effect	If shareholders exercise Right Offering	If shareholders do not exercise Right Offering
Control Dilution	No Effect	Decrease 28.57%
Earnings Dilution	Decrease 28.57%	Decrease 28.57%
Price Dilution	No Effect	No Effect

Remark: For more details, please refer to Section 1.2.3 Effect of the Share Offering on the Shareholders

2.2.3 Comparison between Advantages and Disadvantages of Entering into the Transaction with Connected Person and the Transaction with Third Party

2.2.3.1 Comparison between advantages and disadvantages of entering into a transaction with connected person

Advantages of entering into a transaction with connected person

(1) *The Company can raise funds in the required amount within a short period of time.*

The issuance and offering of newly issued ordinary shares is the offering to the existing shareholders in proportion to their shareholding (Right Offering) in which Mr.Vorasit group, as a major shareholder and a managing director of the Company has the intention to oversubscribe for newly issued ordinary shares. Therefore, the Company can be confident that the Company will be able to raise capital as expected within a short period of time, resulting in the implementation of investment plan as preliminarily disclosed. If comparing with the offering of newly issued ordinary shares to the existing shareholders in which Mr.Vorasit group did not show the intention to oversubscribe or comparing with the offering of new ordinary shares to the public, the Company may be uncertain whether the Company can raise the full amount of required capital and the capital increase may have longer processes and additional costs.

¹ calculated from 7-day volume weighted average price of FNS from August 14 to August 22, 2018

If the Extraordinary General Meeting of Shareholders No. 1/2561 which will be held on October 22, 2018, has a resolution to approve the capital increase, whitewash, and the connected transaction in Agenda 1 to Agenda 5 in accordance with the details of the meeting which have been mentioned in section 1.2.6 of this report, the Company will be able to raise funds in the full amount as specified. It is expected that the implementation of capital increase and investments in the aforementioned projects will start within the fourth quarter of 2018 in which the Company is still able to maintain a strong financial position, high financial flexibility, and increasing business stability in the long term.

(2) *The Company can operate its businesses continuously without the impact of significant changes in policies or business operating plan of the Company.*

The issuance and offering of newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering), Mr.Vorasit group will remain a major shareholder of the Company in which his shareholding will be in the range of 18.32 percent to 41.66 percent, that is, in the event that all existing shareholders subscribe for newly issued ordinary shares in proportion to their rights and in the event that there is no existing shareholder subscribe for newly issued ordinary shares, excepted Mr.Vorasit, respectively.

According to the information stated by Mr.Vorasit group in the Form 247-7, subsequent to the entering into the transaction, Mr.Vorasit group, as the Company's management, may consider and review policies and business operating plans of the Company and its subsidiaries as appropriate for the best interests of the Company and its subsidiaries. In addition to the aforementioned plans, Mr.Vorasit group has no plan for significant changes in policies or business plans of the Company, objectives of the Company, additional investments or capacity expansion, reorganization, management or employment, divestment plans of core assets of the Company or its subsidiary, financial restructuring, dividend payout policy.

However, the Independent Financial Advisor has an opinion that the Company will not be affected by changes in policies or business operating plan of the Company and its subsidiaries significantly because the Company will continue to operate its businesses as usual.

(3) *Capital increase at the offering price higher than the market price.*

The capital increase at the offering price of Baht 5.00 per share is higher than the weighted average market price during the period of 7 business days prior to the Board of Directors' meeting at the average price of Baht 4.17 per share¹. The capital increase at the offering price of Baht 5.00 will help the Company to receive cash more than the capital increase at the market

¹ calculated from 7-day volume weighted average price of FNS from August 14 to August 22, 2018

price which shows that the Company is confident to make profits from this investment in order to receive returns worth more than the investing costs. If the Company uses general criteria for determining the offering price to attract the shareholders to exercise their rights, the offering price may be set lower than this offering price in which the offering price at Baht 5.00 per share is the offering price that provides more benefits to the Company. However, since Mr.Vorasit group is the management of the Company, he understands the benefits, possibility, and limitations on the business operation of the Company relatively well, as well as he may receive significant information that affect the decision to raise capital, appropriateness and worthwhileness of the investments, plus long-term benefits to the shareholders. Mr.Vorasit group shows the intention to oversubscribe for newly issued ordinary shares in the amount of not exceeding 98,815,840 shares or equal to the amount of money of not exceeding Baht 494,079,200, which is the total amount of the capital increase at this time.

However, the capital increase at the offering price higher than the current market price, the shareholders may have to consider the decision on the capital increase carefully in accordance with the information disclosure of the Company, trends, and current market situations. According to the disclosure of investment plan of the Company, it is expected to be additional investments in businesses that the Company has already invested in and the expansion of the investments under the investment policy in its subsidiaries and associated companies. Therefore, the additional risks are limited, compared to the investments in new businesses that the Company has never invested in and lacks of expertise.

Disadvantages of entering into the transaction with connected person.

(1) *There are potential conflicts of interest.*

The intention of oversubscription of newly issued ordinary shares of Mr.Vorasit group is considered as a transaction with a connected person in which there may be potential conflicts of interest and may lead to a transfer of benefits to a connected person. Mr.Vorasit group is one of the management team of the Company and participates in important decisions of the Company. In addition, the minor shareholders can not fully access significant information which will affect the decisions on the capital increase and the subscription of newly issued ordinary shares of minor shareholders. However, the Independent Financial Advisor has an opinion that consideration of this approval is the entering into the transaction having conditions the same as general conditions that must be conducted in line with conditions as same as transactions with a third party.

However, since the Company is a company listed on the SET, the transaction between the Company and Mr.Vorasit group, a connected person, must be conducted in compliance with rules and regulations regarding the connected transaction. In addition, the entering into the transaction is similar to the transaction with a third party by taking into account the best interests of the Company as the first priority in order to prevent any impact on minor shareholders from the entering into the transaction. Moreover, the aforementioned transaction must obtain the votes of not less than three-fourths of the total votes of the shareholders who attend the meeting and are entitled to vote, but excluded the shareholders who have conflicts of interest. Accordingly, the approval of the transaction with a connected person is not the decision made by the shareholders who have conflicts of interest.

During the past 3 years, the connected transaction between the company and Mr. Vorasit group which is "Director and management remuneration" which Mr. Vorasit received as compensation to director and management of the company which is based on arm-length basis as follows:

Unit: THB Million	2015	2016	2017	Q2/2018
Director and Management Remuneration				
- Mr. Vorasit Pokachaiyapat	3.73	4.42	3.71	1.86

Source: Company

Remark: There was no connected transaction between related person as per section 258 of the waiver and the company in the past and within 12 months after acquisition of the securities through whitewash transaction, the connected transaction is expected not to occur or change from present significantly

In addition, after entering the transaction, the connected transaction between company and Vorasit group is expected not to change from present significantly

According to the interview with the management of the Company, the Independent Financial Advisor has been preliminarily clarified that the policy on the entering into the connected transaction and/or the related party transactions that will occur in the future, the Company must conduct in compliance with the policies and procedures of good corporate governance based on Arm's Length Basis, as well as rules and regulations of the relevant agencies. In the past, the Company has policies and procedures of good corporate governance and has audit committee having duties to consider the entering into the connected transaction and/or the related party transaction continuously in order to ensure that the transactions are conducted in compliance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and other Acts of Listed Companies Concerning the Connected Transactions, B.E.

2546 (amended in B.E. 2547) and the Notifications of the Office of Securities and Exchange Commission and/or Professions Council regarding the connected transaction.

(2) **Shareholders do not receive clear information for the decision on the capital increase.**

As a result of the capital increase at the offering price of Baht 5.00 per share, which is higher than the weighted average market price of the Company's shares during the period of 7 business days prior to the Board of Directors' meeting No. 5/2018 held on August 23, 2018 at Baht 4.17 per share¹. Mr. Vorasit group who is the management of the Company can access to the information used for the decision and shows the intention to oversubscribe for newly issued ordinary shares in the amount of not exceeding 98,815,840 shares or equal to not exceeding Baht 494.08 million, which is the total amount of the capital increase at this time. But since the investment plan is still the preliminary study of companies that the Company plans to invest. In addition, the aforesaid investment projects are still in negotiation process with relevant parties and there is still no obvious conclusion that can be disclosed in details at this time. Therefore, the shareholders may not have a clear decision on the capital increase. On the other hand, the oversubscription of Mr. Vorasit group can create confidence to the shareholders that the capital increase is appropriate and generates valuable returns.

However, According to the disclosure of investment plan of the Company, it is expected to be additional investments in businesses that the Company has already invested in and the expansion of the investments under the investment policy in its subsidiaries and associated companies. Therefore, the additional risks are limited, compared to the investments in new businesses that the Company has never invested in and lacks of expertise.

2.2.3.2 Comparison between advantages and disadvantages of entering into the transaction with third party

Advantages of entering into the transaction with a third party.

If Mr. Vorasit group did not intent to oversubscribe for newly issued ordinary shares in this capital increase, the capital increase transaction will not be considered as the connected transaction and will not affect the shareholding of the existing shareholders (Dilution Effect) and a decrease in earnings per share (Earning Dilution) which will decrease by approximately 28.57 percent after the entering into the transaction.

¹ calculated from 7-day volume weighted average price of FNS from August 14 to August 22, 2018

Disadvantages of entering into the transaction with a third party.

In the event that the Company raises capital as usual in which the transaction is not considered as the connected transaction from oversubscription of the entire newly issued ordinary shares, the Company will have risks of not receiving capital as planned, which will impact on investment plan and growth opportunities of the Company. In addition, the Company may be required to create incentives for shareholders to exercise their rights via various approaches, such as pricing the offering price of newly issued ordinary shares lower than the current market price, the issuance of warrants, etc.

In addition, searching for new sources of funding from a third party in other ways, such as the allocation of newly issued ordinary shares to the public (Public Offering) or the allocation to private placement (Private Placement), the establishment of a joint venture, etc., the Company may be required to disclose the future investment plans to a third party for information verification, consideration of conditions of capital increase/entering into the investments, review of financial and legal status, obligations, disputes, including the approval of the relevant agencies (if any). The implementation of such actions may take relatively a long period of time and the Company will have to assign staff to provide information for verification to a third party which may take time for verification until the results are satisfactory. Then, the conclusion in searching for a joint venture partner can be conducted.

2.3 Risks from Entering into the Transaction**2.3.1 Risk of uncertainty of the investment plan**

The Company has disclosed the investment plan in a resolution of the Board of Directors' Meeting No. 5/2018, including its amendments, and a request form for resolution of the shareholders' meeting to approve the acquisition of new securities without making a tender offer for all securities of the business (Form 247-7). The aforesaid investment plan has a broader scope and is still the preliminary study of companies that the Company plans to invest. In addition, the aforesaid investment projects are still in negotiation process with relevant parties and there is still no obvious conclusion that can be disclosed at this time. Therefore, the investment plan of the Company may be changed and not be as expected. Shareholders should consider carefully about entering into the transaction once again in accordance with the information disclosure of the Company, trends, and current market situations.

However, the investments in several projects are expected to be additional investments in businesses that the Company has already invested in and the expansion of the investments under the investment policy in its subsidiaries and associated companies. Therefore, the additional risks are limited, compared to the investments in

new businesses that the Company has never invested in and lacks of expertise. In addition to the investments as disclosed, the Company will continue to operate its businesses as usual in which the Company does not have a plan to change business objectives, policies in business administration, including structure of the Board of Directors and the management of the Company.

2.3.2 Minor shareholders lack of balance of power.

The issuance and offering of newly issued ordinary shares at this time, in the event that all existing shareholders subscribe for newly issued ordinary shares in proportion to their rights, shareholding in the Company will not be changed. Comparing to the event that there is no existing shareholder subscribing for newly issued ordinary shares, except Mr. Vorasit group, who shows the intention to oversubscribe for newly issued ordinary shares in the amount of not exceeding 98,815,840 shares. In this event, the shareholding and voting rights of Mr.Vorasit group in the Company will increase from 18.32 percent to 41.66 percent of the total number of issued shares and the total voting rights of the Company. This constitutes a significant shareholding in the Company, although the voting rights of Mr.Vorasit group after the capital increase will not exceed 50 percent. But Mr.Vorasit group will become a shareholder that can control management power significantly (Majority Control), even if Mr.Vorasit group can not be a majority to control the resolution of the shareholders' meeting which requires majority vote (resolution which receives votes of more than 50 percent of the total votes from the shareholders' meeting) or extraordinary resolution (resolution with receives majority vote of not less than three-fourths of the total votes from the shareholders' meeting).

In addition, Mr.Vorasit group can exercise a block vote on certain matters that are required by law or by the Company's Articles of Association to obtain votes of not less than three-fourths of the total votes from the shareholders' meeting, such as capital increase or decrease, application for a waiver from the requirement to make a tender offer for all securities of a business, acquisition or disposition of assets, entering into a connected transaction in accordance with Notification of the SET, and the issuance of debentures, etc.

Thus, in the event that minor shareholders desire to review or balance the decision power of Mr.Vorasit group, the votes of minor shareholders must be gathered to be more than 50 percent of the shareholding structure of the Company. After entering into the transaction, although the Company will still have minor shareholders more than 50 percent of paid-up capital, but gathering the votes in order to set a resolution in the same way may be difficult. Therefore, minor shareholders may not be able to balance the power in the management due to changes in shareholding. However, minor shareholders still have their rights to request a review or ask for clarification of the Board of Directors in the shareholders' meeting. Minor shareholders having more than 10 percent of the total number of issued shares will be able call for the extraordinary general meeting of shareholders at any time by specifying reason to request for the meeting clearly.

2.3.3 Risk of inability to raise funds as planned of the Company.

The Company expects to use capital in the amount of not exceeding Baht 1,000.00 million in projects that are disclosed in this report by using funds from this capital increase of no more than Baht 494.08 million and the remaining capital will come from loans or the issuance of debentures. Initially, the Company expects to spend capital for the first project in the amount of not exceeding Baht 700.00 million and expects to start investing in such projects within the fourth quarter of 2018 and the investment will be completed within 2019.

Therefore, if there are events from both internal and external factors that impact the issuance and offering of newly issued ordinary shares, the Company may not be able to raise funds as planned and may have to consider new sources of funding in other ways, such as an increase in the proportion of liabilities with loans from financial institutions or the issuance of additional debentures, pricing the offering price of newly issued ordinary shares lower than the current market price, the issuance of warrants, etc. Thus, the Company may have higher expenses and/or change the investment plan in the future. However, the Company will continue to operate its businesses as usual in which the shareholders will have the opportunity to receive investment returns based on operating results of the Company at that time.

2.3.4 Risk of not being approved by the shareholders' meeting.

At the shareholders' meeting of the Company which will be held on October 22, 2018, since Agenda 2 to Agenda 6 are interrelated and conditional to one another regarding the entering into the capital increase transaction, whitewash, and connected transaction, if any of those Agenda is not approved by the shareholders' meeting, the next relevant Agenda shall not be presented to the shareholders' meeting for further consideration, whilst the Agenda that had been approved prior to disapproval on such Agenda shall be deemed cancelled.

If the aforesaid event occurs, the Company may not be able to raise funds as planned and may have to consider new sources of funding in other ways. The shareholders can study further information in Section 1.2.5 Risks that may arise in the event that whitewash is not be approved and Section 1.2.6 Whitewash conditions.

2.3.5 Risk of cancelation of the transaction.

According to a resolution of the Board of Directors' Meeting No. 5/2018, including its amendments later, the shareholders of the Company have risk in case that the Company is still able to cancel the transaction regarding the issuance and offering of newly issued ordinary shares at this time. In addition, the Company can also change conditions and details of the implementation of the capital increase, allocation approaches of newly issued ordinary shares, such as one-time allocation or several lots of allocation, offering period, offering ratio, offering price, payment method, changes in excluding right date (XR).

However, any changes related to the transaction must be in accordance with and not contrary to rules and regulations of the SET, SEC, laws, and regulations related to the issuance and offering of securities under the laws of Thailand.

2.4 Fairness of Price and Conditions of the Transaction

Table of company valuation comparison by various approaches with offer price is provided as following:

Valuation Approach*	Fair Value (Baht per share)	Offer price for RO by Mr. Vorasit ^{1/} (Baht per share)	Fair Value is higher (lower) than the Offer Price	
			THB	Percent
1) Book Value Approach	9.20	5.00	4.20	83.92
2) Adjusted Book Value Approach	9.20	5.00	4.20	83.92
3) Volume Weighted Average Price Approach	4.34 – 4.63	5.00	(0.66) – (0.37)	(13.18) - (7.47)
4) Market Comparable Approach	N/A	5.00	N/A	N/A
4) Market Comparable Approach	9.84 – 11.70	5.00	4.84 – 6.70	96.80 – 134.00

Source: Company's Financial Statement as of 30 June 2018 and Independent Financial Advisor's Estimation

Remark: 1/ The offering price of newly issued shares by the waiver requester is the same as the offer price for existing shareholders to exercise right offering (RO)

* For more details of valuation, please see Section 1.3 Appropriateness of the Offering Price of Newly Issued Shares to the Waiver Requester in IFA Report

From the table, Independent Financial Advisor viewed that the Company's fair value should be based on Discounted Cash Flow approach which is equal to 9.84 – 11.70 baht per share. When compared between THB 5.00 of offering price by Mr. Vorasit, the offering price is lower than fair value range estimated by IFA based on Discounted Cash flow approach which is 9.84 – 11.70 baht per share. The THB 5.00 offering price is offered to all shareholders and below the fair price range which will benefit all shareholders although the offering price is higher than the trial 7-days volume weighted average price, 4.17 baht per share. In conclusion, IFA is of the opinion that the Offering price is the inappropriate price.

In addition, the offering price by Mr. Vorasit is the same price as the price offered to all shareholders proportionate to shareholding amount for Right Offering and all shareholders can either exercise the right to subscribe share allotment proportionate to shareholding amount or to oversubscribe share allotment based on the same price of 5.00 baht. Moreover, if all shareholders exercise the right for Right Offering, Mr. Vorasit group cannot oversubscribe the share allotment, thus the offering price is reasonable and fair to all shareholders.

Fairness of conditions of the transaction

The issuance and offering of newly issued ordinary shares of the Company to the existing shareholders in proportion to their shareholding (Right Offering) by issuing newly issued ordinary shares of 98,815,840 shares

at a par value of Baht 5.00 per share, representing an increase in the registered capital of Baht 494,079,200. Newly issued ordinary shares will be offered to the existing shareholders in proportion to their shareholding (Right Offering) with a ratio of 2.5 old shares to 1 new ordinary share at the offering price of Baht 5.00 per share, totaling Baht 494,079,200. Mr.Vorasit group, who is a connected person of the Company, shows the intention to subscribe and oversubscribe for newly issued ordinary shares in the amount of not exceeding 98,815,840 shares, which are the subscription in proportion to his rights of approximately 18,102,742 shares and the oversubscription of approximately 80,713,098 shares. Subscription method, payment, and procedure of newly issued ordinary shares allotment of Mr. Vorasit are not different from other shareholders which are general conditions of the issuance and offering of newly issued ordinary shares of a public company.

The oversubscription of newly issued ordinary shares of Mr.Vorasit abovementioned;

- 1) Based on the assumption that if there is no shareholder subscribing for newly issued ordinary shares and Mr.Vorasit group execute oversubscription, the maximum number of shares that Mr.Vorasit group will be allocated will be equal to 98,815,840 shares, which is equal to the total number of shares offered at this time. This will result in an increase in the shareholding and voting rights of Mr.Vorasit Pokachaiyapat in the Company to be not exceeding 41.66 percent which may cross the trigger point of 50 percent of the total number of issued shares of the Company. That will be required to make a tender offer for all securities of the Company in which Mr.Vorasit Pokachaiyapat wishes to request a waiver from mandatory tender offer for all securities of the Company.
- 2) Such transaction is considered as the connected transaction in category of assets or services, whose transaction size calculated from the maximum value of the transaction is 35.22 percent of net tangible assets of the Company, based on the consolidated financial statement of the Company as of June 30, 2018. This transaction is considered as a transaction with the transaction size of more than 3% of net tangible assets of the Company. Therefore, the Company has the duties to disclose the information on the connected transaction to the SET, to appoint the Independent Financial Advisor, and to hold the shareholders' meeting to approve the entering into such transaction.

Therefore, the Company has the duties to disclose the information, to appoint the Independent Financial Advisor, and to hold the shareholders' meeting to approve the entering into such transaction, of which the resolution of shareholders' meeting to approve this transaction shall be no less than three-fourths of the total votes from shareholders who attend the meeting and are entitled to vote, excluding the votes from shareholders with interests therein.

At the shareholders' meeting of the Company which will be held on October 22, 2018, since Agenda 2 to Agenda 6 are interrelated and conditional to one another regarding the entering into the capital increase transaction, whitewash, and connected transaction, if any of those Agenda is not approved by the shareholders'

meeting, the next relevant Agenda shall not be presented to the shareholders' meeting for further consideration, whilst the Agenda that had been approved prior to disapproval on such Agenda shall be deemed cancelled.

The conditions above deemed to be appropriate since those Agenda are interrelated. If the shareholders do not approve one of those agenda, the whole transaction can not be occurred. There are normal conditions that can be set up in the shareholders' meeting of the Company.

The Independent Financial Advisor has an opinion that conditions applied to the issuance and offering of newly issued ordinary shares and the connected transaction are appropriate and not conditions that deteriorate benefits of the shareholders and the Company in any way.

2.5 Conclusion of IFA's Opinion on Connected Transaction

The Independent Financial Advisor has an opinion that the entering into the connected transaction of Mr.Vorasit group from showing the intention to subscribe and oversubscribe for newly issued ordinary shares in the amount of not exceeding 98,815,840 shares, representing a total amount of not exceeding Baht 494,079,200, in which subscription method, payment, and procedure of newly issued ordinary shares allotment are not different from other shareholders, are appropriate and beneficial to the Company.

- The company has sufficient fund for business expansion
- The company still has strong financial structure after investment
- Shareholders have the opportunity to receive more returns in the future
- The capital increase does not affect price dilution (Price Dilution)
- Reduce liquidity risk

However, entering into the transaction, the shareholders will be affected in terms of control dilution effects in the event that there is no shareholder subscribing for newly issued ordinary shares in which the control will be diluted by 28.57 percent. While earnings dilution will affect both existing shareholders who subscribe or do not subscribe for newly issued ordinary shares in which earnings will be diluted by 28.57 percent. For price dilution effects, the shareholders will not be affected in terms of price dilution effects since the offering price of newly issued ordinary shares at Baht 5.00 per share is higher than the weighted average market price of the Company's ordinary shares during the period of 7 business days prior to the Board of Directors' meeting which is equal to Baht 4.17 per share. Moreover, in the event that Mr.Vorasit has significantly increased shareholding or have shareholding more than 25 percent but not exceeding 50 percent of the total voting rights of the Company, Mr.Vorasit will be able to exercise a block vote on certain matters that are required votes of not less than three-fourths of the total votes of the shareholders who attend the meeting and are entitled to vote.

According to consideration of the offering price of newly issued ordinary shares of the Company at Baht 5.00 per share, the Independent Financial Advisor has an opinion that the offering price is appropriate, although

the offering price is lower than the evaluated price calculated by the Independent Financial Advisor by using Discounted Cashflow approach which is equal to Baht 9.84 – 11.70 per share. Because the capital increase is the offering of newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering) with the method for subscription, payment, and allotment of newly issued ordinary shares equally for all existing shareholders.

The Independent Financial Advisor has an opinion that the entering into the connected transaction of Mr.Vorasit group in both subscription and oversubscription for newly issued ordinary shares in amount of not exceeding 98,815,840 shares is appropriate with fair price and conditions. Thus, the Company and shareholders will receive benefits from entering into the transaction. Accordingly, the shareholders should resolve to **approve** the entering into the transaction.

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3. Conclusion of the Independent Financial Advisor's Opinion

(1) Waiver from mandatory tender offer by using the resolution of the shareholders' meeting (Whitewash)

The Independent Financial Advisor has an opinion that the issuance and offering of newly issued ordinary shares of the Company in the amount of 98,815,840 shares to the existing shareholders in proportion to their shareholding (Right Offering) in which the waiver requester, as a major shareholder and a managing director of the Company has the intention to oversubscribe for newly issued ordinary shares in the total amount of not exceeding 98,815,840 shares or Baht 494,079,200. Subscription method, payment, and procedure of newly issued ordinary shares allotment of the waiver requester are not different from other shareholders. The subscription of newly issued ordinary shares in excess of the rights of the waiver requester will ensure that the Company will be able to raise capital as expected in the amount of not exceeding Baht 494,079,200, which is the sufficient amount to support the use of funds of the Company. The Company plans to expand its business via direct investment of the Company and expand investments in associated companies or in the form of private equity investments.

- Direct Investment business is the existing business of the Company and its subsidiaries. In the past, the Company and its subsidiaries have been conducting direct investments in companies and/or funds with the business areas that can support and extend the group's businesses. This business expansion in direct investment is to conduct additional investments in companies and/or funds in the form of private equity investments¹.
- The additional investments in associated companies are in accordance with the investment policies of the Company which allow the Company to invest in several subsidiaries and associated companies in order to advocate the group's businesses in providing various financial services, including investment banking, wealth management, fund management and advisory, venture capital, securities brokerage, and property development.

In summary, the investment plan of the Company and its subsidiaries in the form of direct investment and/or additional investments in private equity¹ are in accordance with the investment policies of the Company and its subsidiaries, as well as normal investment transactions that the Company and its subsidiaries are currently operating. The management of the Company may consider investment formats, worthwhileness of the investments, and investment returns in order to ensure that the Company will receive maximum benefits. Since the investment plan is still the preliminary study of companies that the Company plans to invest. In addition, the aforesaid investment projects are still in negotiation process with relevant parties and there is still no obvious conclusion that can be disclosed at this time.

¹ Private Equity investment is a form of Joint Venture which company and subsidiaries will consider targeted company, during growth stage, which has tendency to grow continuously and can be invested in form of joint venture or lending (may convert to equity later). Once such investment becomes successful, the company (investor) may sell investment portion (take an exit) through IPO or private placement.

Therefore, the investment plan of the Company may not be as expected due to internal and external factors such as economic conditions, changes in consumption and services that may affect the operation of invested projects and investment returns. However, the Company and the management of the Company Should consider investment or investment expansion on conservative basis by considering utmost for potential benefits and impacts to company and shareholders.

The effects that may occur to shareholders after entering into the transaction are divided into 2 parts (1) The effects from control dilution in the event that there is no existing shareholder subscribing for newly issued ordinary shares in which the control will be diluted by 28.57 percent (2) The effects from Earning Dilution for both existing shareholders who subscribe or do not subscribe for newly issued ordinary shares in which earnings will be diluted by 28.57 percent. All shareholders will not be affected by price dilution since the offering price of 5.00 baht per share is higher than trial 7-day volume weighted average price of FNS, from Board of Director meeting date, which is 4.17 baht per share.

In addition, in the event that the waiver requester, including the related persons as per Article 258 of the waiver requester have significantly increased shareholding not exceeding 41.66% or have shareholding more than 25 percent but not exceeding 50 percent of the total voting rights of the Company, the waiver requester will be able to exercise a block vote on certain matters that are required votes of not less than three-fourths of the total votes of the shareholders who attend the meeting and are entitled to vote

The offering price of newly issued ordinary shares to the waiver requester at Baht 5.00 per share is appropriate since the aforementioned price is higher than the fair values evaluated by the Independent Financial Advisor by using the discounted cash flow approach which are in the range of Baht 9.84 – 11.70 per share. The THB 5.00 offering price is offered to all shareholders and below the fair price range which will benefit all shareholders although the offering price is higher than the trial 7-days volume weighted average price, 4.17 baht per share. In conclusion, IFA is of the opinion that the Offering price is fair and appropriate price.

In addition, the right offering by issuing new shares is offered to the existing shareholders for the amount proportionate to existing shareholdings. The details of Right Offering specified that the existing shareholders has priority to exercise the right to subscribe the shares and oversubscribe the shares to maintain the percentage of shareholding and control as well as protect their interests from Right Offering.

Therefore, the Independent Financial Advisor has an opinion that the waiver from mandatory tender offer obligation by using the resolutions of shareholders' meeting (whitewash) is reasonable. Price and conditions of the transaction are fair. And the shareholders will receive benefits from entering into the transaction. Accordingly, the shareholders should resolve to approve the waiver from mandatory tender offer obligation by using the resolutions of shareholders' meeting (whitewash).

(2) Entering into the connected transaction

Whereas, the Company considered the offering and sale of new ordinary shares of the Company in an amount of 98,815,840 shares with par value of baht 5.00, totaling increase the registered capital to be baht 494.08 million. Mr. Vorasit group, as a director and major shareholder of the company, who is considered to be connected person declared the intention to subscribe and oversubscribe for not exceeding 98,815,840 shares, consisting of 18,102,742 shares from RO allotment and 80,713,098 shares from oversubscription allotment, with the method of subscription payment and procedure indifferent from other shareholders and the conditions of newly issued shares and right offering are general.

Therefore, the connected transaction of Mr. Vorasit group who intends to oversubscribe shares is appropriate and beneficial to the Company as follows

- The company has sufficient fund for business expansion
- The company still has strong financial structure after investment
- Shareholders have the opportunity to receive more returns in the future
- The capital increase does not affect price dilution (Price Dilution)
- Reduce liquidity risk

However, entering into the transaction, the shareholders will be affected in terms of control dilution effects in the event that there is no shareholder subscribing for newly issued ordinary shares in which the control will be diluted by 28.57 percent. While earnings dilution will affect both existing shareholders who subscribe or do not subscribe for newly issued ordinary shares in which earnings will be diluted by 28.57 percent. For price dilution effects, the shareholders will not be affected in terms of price dilution effects since the offering price of newly issued ordinary shares at Baht 5.00 per share is higher than the weighted average market price of the Company's ordinary shares during the period of 7 business days prior to the Board of Directors' meeting which is equal to Baht 4.17 per share.

Moreover, in the event that Mr. Vorasit has significantly increased shareholding or have shareholding more than 25 percent but not exceeding 50 percent of the total voting rights of the Company, Mr. Vorasit will be able to exercise a block vote on certain matters that are required votes of not less than three-fourths of the total votes of the shareholders who attend the meeting and are entitled to vote.

After considering the offering price to connected person which is THB 5.00, the offering price is lower than fair value range estimated by IFA based on Discounted Cash flow approach which is 9.84 – 11.70 baht per share. The THB 5.00 offering price is offered to all shareholders and below the fair price range which will benefit all shareholders although the offering price is higher than the trial 7-days volume weighted average price, 4.17 baht per share. In conclusion, IFA is of the opinion that the Offering price is appropriate price.

In addition, the offering price by Mr. Vorasit is the same price as the price offered to all shareholders proportionate to shareholding amount for Right Offering. Therefore, the offering price is appropriate with the method for subscription, payment, and allotment of newly issued ordinary shares equally for all existing shareholders.

If the Extraordinary General Meeting of Shareholders No. 1/2561 which will be held on October 22, 2018, has a resolution to approve as follows: (1) to consider and approve the increase in registered capital (2) to consider and approve the waiver from mandatory tender offer by using the resolution of the shareholders' meeting (Whitewash) (3) to consider and approve the entering into transaction with a connected person. Since Agenda (1) to (3) are interrelated and conditional to one another, if the Extraordinary General Meeting of Shareholders No.1/2018 does not approve any of those Agenda, the next relevant Agenda shall not be presented to the Extraordinary General Meeting of Shareholders No.1/2018 for further consideration, whilst the Agenda that had been approved prior to disapproval on such Agenda shall be deemed cancelled.

The company structured the agendas to be interrelated to ensure that the company can raise fund for investment expansion as planned. The shareholders should consider agenda of capital increase and other related agendas simultaneously.

On the other hands, If each agenda is not interrelated, the shareholders will have more flexibility to consider the agenda independently; however, there are risks of unable to achieve fundraising result as planned and/or the amount of fund is insufficient, causing the company to consider another capital increase to fulfill the insufficiency or consider borrowing as another source of fund.

IFA opined that the abovementioned conditions are appropriate in that such agenda structure will cause the continuity of the meeting, sequencing from capital increase issue; moreover, the capital increase promotes long-term benefit of shareholders and company purposefully. If one of the agenda does not get approval, all transactions will fail to achieve, which is normal condition during the shareholders' meeting and such conditions do not damage the shareholders' and company's interest.

While all shareholders still expose to the risks related to entering into this transaction from uncertainty of investment plan, lack of control balance, risk of unable to raise fund as planned, risk of unable to gain approval from shareholders' meeting, and risk of transaction being canceled.

IFA opined that the transaction of Mr. Vorasit group, intending to subscribe and oversubscribe the shares allotment for the amount of not exceeding 98,815,840 shares, is reasonable with fair price and conditions. The company and shareholders will benefit from this transaction and shareholders should approve the connected transaction

For more details, please refer to section "Executive Summary" Page 3 of this Independent Financial Advisor report

Nonetheless, in deciding whether to approve or disapprove the said Transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders' individual judgment.

I V Global Securities Public Company Limited as the Independent Financial Advisor hereby certifies that we have provided the opinion fairly using independent professional judgments, by placing the interest of the shareholders at the utmost importance.

The Independent Financial Advisor's opinion is based on the assumptions that all information in consideration was complete and accurate, and reflects the operating environment and most up-to-date information at the time of issuance of this report. Any changes in the information used to formulate an opinion could have a significant impact on the valuation, the Independent Financial Advisor's opinion and the decision of the shareholders. The purpose of this report is to provide a recommendation to shareholders of the Company and the opinion of the IFA should not be misconstrued as an endorsement to enter into the Transaction, or a guarantee of the outcome of the Transaction.

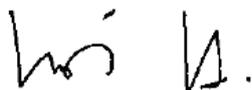
I V Global Securities Public Company Limited as the Independent Financial Advisor of the Company hereby certifies that we have study and analyze the data that provided by the professional standard and on the opinion fairly using independent professional judgments, by placing the interest of the shareholders at the utmost importance.

I V Global Securities Public Company Limited, as the Independent Financial Advisor, hereby certifies that we have provided the above opinion diligently in accordance with professional standards for the benefits of the shareholders.

Yours Faithfully,

Independent Financial Advisor

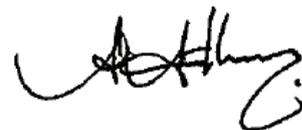
I V Global Securities Public Company Limited



(Miss Krisaporn Kunchan)

Vice President

Supervisor Financial Advisory



(Mrs. Sriporn Sudthipongse)

President and CEO

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Attachment 1

Business overview and operating performance
Of
Finansa Public Company Limited

Source: Form 56-1 of Finansa Public Company Limited

1. General Information

Company Name : Finansa Public Company Limited (“Company”)

Type of Business : The Company operates provides 5 type of business as listed below

1. Corporate Advisory and Investment Banking
2. Fund Advisory and Management
3. Direct Investment
4. Warehouses and Factory Leasing
5. Securities Brokerage

Registration Number : 0107545000080

Home Page : www.finansa.com

Head Office Location : 48/48 20th Fl. TISCO Tower, North Sathon Road,
Silom, Bangrak, Bangkok 10500, Thailand

Telephone : (02) 697-3700

Fax : (02) 266-6688

Registered Capital : THB 1,235.2 Million shares
247 million ordinary shares at par value THB 5 per share

Paid-up Capital : THB 1,235.2 Million shares
247 million ordinary shares at par value THB 5 per share

2. Business Operations

2.1 Company Background and Significant Developments

Finansa Plc. has been active in investment banking, corporate finance and private equity in Southeast Asia since its founding in 1991. Today, Finansa's strength lies in its market leading investment banking team based in Thailand. This team has excelled in completing sophisticated transactions for clients including government agencies, state enterprises, and large corporates in Thailand. Finansa also works closely with its 30% affiliate Finansia Syrus Securities Plc., a top 3 broker and the market leader in Initial Public Offerings in Thailand. The Company makes principal investments off of its own balance sheet and currently holds 10% of the listed real estate company M.K. Real Estate Development Plc. and a substantial investment in the consumer products company NEO Corporate Co., Ltd. The Company has also been the general partner of several investment funds for Thailand and the S.E. Asian region, making pro-active investments in equity, debt and distressed assets.

Significant Development of the Company in the Past 3 Years

Year	Event
2015	<ol style="list-style-type: none">1. In March, FFM has entered into a new joint venture agreement with SBI Capital Management Co. Ltd. To set up SBI Finansa Private Equity Partners ("SFPEP"). SFPEP has incorporated in the Cayman Islands and has been established to provide advisory services to its shareholders on private equity style investments in the S.E. Asia region. FFM and SBI Capital Management Co., Ltd. will each hold 50% in SFPEP.2. In May and December, the Company acquired additional rights to sub-lease land together with warehouse/factory buildings in the Bangkok Free Trade Zone Project. Duration of the sub-lease is 24 years. Total leasable area is 45,004 sq.m. and total investment value is Baht 707.7 million. The objective of the investment is to operate the business of leasing of warehouses and factory buildings to operators.3. In October, the Company disposed of its total investment in Prospect Development Limited (PD) to M.K. Real Estate Development Plc. (MK), as a result, PD is not an associated company. In this regard, the Company received MK ordinary shares totally 7.15% of MK's paid-up capital in return. The Company considered as investment in associated company since the Company can exercise significant influence in the policy-making through the Company's representative sitting in Board of Directors.4. In October, FSL disposed of its membership of the Stock Exchange of Thailand no.33, membership of Thailand Futures Exchange Plc. and membership of Thailand Clearing House Co., Ltd. to SBI Thai Online Securities Company Limited.5. In December, the Company purchased all FSS shares from FSL, a 100% own subsidiary to restructure the Finansa group's assets, therefore, there is no impact to the consolidated financial statements.
2016	<ol style="list-style-type: none">1. In 2015, FFM had entered into a new joint venture agreement to set up SBI Finansa Private Equity Partners ("SFPEP"). However, in 2016, SFPEP's shareholders determined that SFPEP was no longer required.2. During 2016, the Company acquired additional MK shares, resulting in a total shareholding of 9.78%.3. In December, a subsidiary, FFM signed an agreement to invest Baht 237 million in an exchangeable loan, exchangeable into the shares of NEO Corporate Co., Ltd. The loan has a maturity of 5 years.

Year	Event
2017	1. In June, a subsidiary, FC made an Investment of Baht 20.6 million in FB Foodservice (2017) Ltd. ("FB"), a full service food distribution company. The investment, made in a combination of existing and new ordinary shares issued by FB, is equivalent to 6% of FB's total registered capital.
2018	<p>1. On 21 August 2018, the Company entering into the disposition of investment in Finasia Syrus Securities Public Company Limited 170,269,978 shares, which is 29.29% of paid up shares of Finasia Syrus Securities Public Company Limited to Finansa Fund Management Limited, a 100% subsidiaries of the Company which is under absolute control of the Company. The purpose of the disposition of investment is for group restructuring.</p> <p>2. Issuing 98,815,840 new ordinary shares with a par value of Baht 5.00 per share, totaling the increase in registered capital of Baht 494,079,200. Such new ordinary shares shall be offered to existing shareholders proportionate to their shareholding (Right Offering) at an offering ratio of 2.5 existing shares to 1 new ordinary share (a fraction of share shall be disregarded) at an offering price of Baht 5 per share, totaling Baht 494,079,200.</p>

Source: Annual Report of the Company

2.1 Business Operations

Finansa Plc. and its subsidiaries provide a wide range of financial services to institutional, corporate and retail clients, including Investment Banking, Wealth Management, Direct Investment and Fund Management and Advisory. In addition, the Company has warehouses and factories for lease and also provides support to its affiliates and subsidiaries in many respects including organizational administration, business and market planning, management and development of information technology, human resources management, accounting, administration as well as research into investment opportunities and analysis of economic conditions. Through its associated companies, Finasia Syrus Securities Plc. and M.K. Real Estate Development Plc. which was invested at year-end 2015, it can also offer securities brokerage and real estate development businesses, respectively. The activities of the Finansa Group can be divided into the following areas:

1. Corporate Advisory and Investment Banking

The Company provides investment banking service, corporate and financial advisory services and private fund service which operate by Finansa Securities Limited (FSL) with professional investment banking team including fund raising, financial and business restructuring and business alliance negotiations.

2. Fund Management and Advisory

Finansa Fund Management Company Limited (FFM) provides advisory and fund management services especially foreign fund service.

3. Direct Investment

The Company and some of its subsidiaries also engage in direct investments in companies or funds. This business area is aimed at supporting and extending the group's businesses.

In December 2016, a subsidiary, FFM signed an agreement to invest Baht 237 million in an exchangeable loan, exchangeable into the shares of NEO Corporate Company Limited, a manufacturers and distributors of household products and personal care products successfully in Thailand. Moreover, the Company plans to list NEO in the Stock Exchange of Thailand in next 2-3 year in accordance with investment plan on this private equity.

In June, a subsidiary, FC made an Investment of Baht 20.6 million in FB Foodservice (2017) Ltd. ("FB"), a full service food distribution company. The investment, made in a combination of existing and new ordinary shares issued by FB, is equivalent to 6% of FB's total registered capital.

4. Warehouse and Factory Leasing

Finansa acquired rights to sub-lease land and warehouse/factory buildings in the Bangkok Free Trade Zone project with the sub-lease period of 24-25 years. Total leasable area is 89,024 sqm. Total investment value is Baht 1,423.3 million. The objectives are to operate the business of leasing of warehouses and factory buildings to operators and to create constantly income stream for the Company. For calendar year 2017, the occupancy rate was 91% with an average rent achieved of Bt.180/sqm/mth.

5. Securities Brokerage

Finansia Syrus Securities Public Company Limited, a securities brokerage authorized by the SEC, provides securities brokerage service, investment banking, bond dealer, securities borrowing and lending and derivative.

2.2 The Shareholding Structure of the Company

The Finansa Group consists of 8 operating companies of which 5 are local companies, 2 overseas companies and 2 non-operating company. As the regional headquarters of the group, the Company determines management and investment policies and supports, controls, supervises and advises companies in the group in relation to business planning and management. The aim is to create overall coherence for the group's various operations. The Finansa Group now consists of the following affiliates and subsidiaries:

Companies Operating in Thailand

1. **Finansa Securities Limited (FSL)**

Finansa Securities Limited has securities license no. (2) 476/2536 issued by the Ministry of Finance allowing it to conduct all types of securities business, namely: (1) acting as securities broker, (2) securities trading, (3) acting as investment advisor, (4) securities offering and underwriting and 5) acting as futures exchange agent. In addition, FSL is a financial advisory company authorized by the SEC. In mid 2009, FSL

merged its securities broking services with Finansia Syrus Public Company Limited and now focuses on Investment Banking activity. The paid-up capital as of 31 December 2017 was Baht 700 million.

2. Finansa Capital Limited (FC)

Finansa Capital Limited was formerly called Finansa Credit Limited which was a licensed financial institution regulated by the Bank of Thailand. FC returned its license to operate finance business to the Ministry of Finance on 25 December 2009. At present, FC's business objective is to manage its remaining loan portfolio. As of 31 December 2017, FC had paid up capital of Baht 511 million.

3. Finansia Syrus Securities Public Company Limited (FSS)

Finansia Syrus Securities Public Company Limited (FSS) is a new securities company formed by the merger of Syrus Securities Plc., ACL Securities Co., Ltd. and FSL's securities broking business which was completed in September 2009. FSS is an associated company of Finansa with an initial investment of 19.6% of FSS's total paid-up capital.

Further, the Company invested in additional shares and newly increased capital shares of FSS. In this regard, the Shareholders' meeting of FSS had a resolution to waive the Company from making a tender offer for all securities of FSS ("Whitewash"). In June 2013, the Company sold its investment in FSS to FSL, a 100% own subsidiary to reorganize the Finansa group structure.

In 2014 and in November 2015, FSL received stock dividends and additional ordinary FSS shares from disposal of FSL's membership of the SET, respectively. As a result, FSL holds totally 170,269,978 shares or 29.29% of FSS's total paid-up capital. In December 2015, the Company purchased all FSS shares from FSL to restructure the Finansa group's assets. As of 31 December 2017, FSS had paid up capital of Baht 930.24 million.

4. M.K. Real Estate Development Public Company Limited (MK)

M.K. Real Estate Development Public Company Limited (MK) is an associated company which the Company invested in at the end of 2015 with total shareholding of 7.15% of MK's total paid-up capital. MK operates its core business as a real estate developer in various areas such as developing empty land for sale, building house for sale including the land, providing construction services, building condominium for sale, providing rental and car park services, and golf course services, etc. In 2016, the Company purchased additional MK shares, resulting in a shareholding of 9.78%. As of 31 December 2017, MK had paid up capital of Baht 992.01 million.

5. FSS International Investment Advisory Securities Company Limited

FSS International Investment Advisory Securities Company Limited has registered as a limited company under Thai law on August 1, 2013. Finansia Syrus Securities Public Company Limited and Finansa Securities Public Company Limited hold 96.25% and 3.75% respectively in FSS International Investment Advisory Securities Company Limited. On 18 December 2013, FSS International Investment Advisory Securities Company Limited has securities license issued by the Ministry of Finance allowing it to conduct

acting as investment advisor. In addition, FSS International Investment Advisory Securities Company Limited has derivative license authorized by SEC to acting as futures exchange advisor on 2 January 2014.

Companies Operating Overseas

6. Finansa Fund Management Limited (FFM)

Finansa Fund Management Limited (FFM) is a company incorporated in the Cayman Islands with paid-up capital of US\$ 20,000 ordinary shares and US\$ 14.4 million preferred shares as of 31 December 2017. It operates investment and fund management business for Finansa-sponsored foreign funds that wish to invest in Thailand, Vietnam and other countries in Southeast Asia.

7. Siam Investment Partners, L.P. (SIP)

Siam Investment Partners, L.P. (SIP) is General Partner of SIF II fund and incorporated in the Cayman Islands with total asset of US\$ 362,828 as of 31 December 2017. The major shareholders are Capital Z Investments, L.P. and FFM which each hold 50% in SIP.

Non-Operating Company

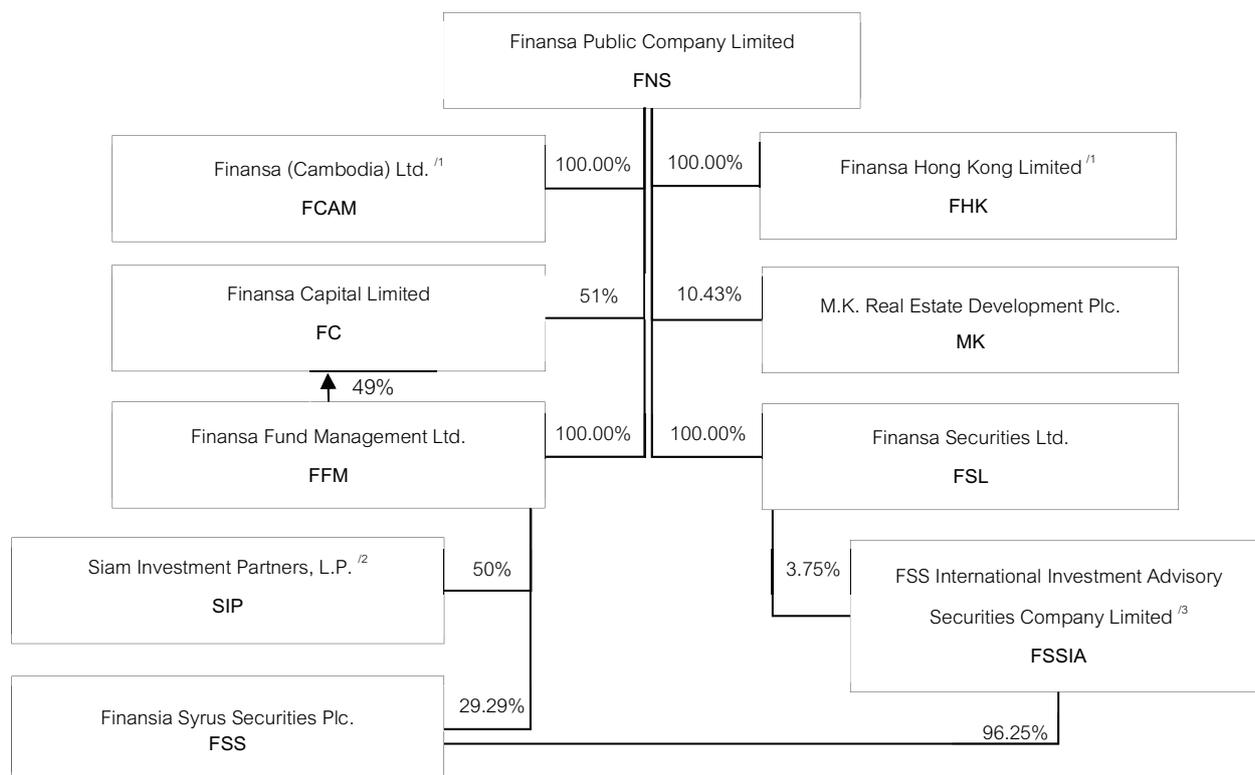
8. Finansa Hong Kong Limited (FHK)

Finansa Hong Kong Limited (FHK) is a company incorporated in Hong Kong on 13 December 2004 with the objective to conduct advisory business. As of 31 December 2014, FHK had a total registered and paid-up capital of HK\$100,000. In present FHK is under liquidation and held by FNS 100% of total shares.

9. Finansa (Cambodia) Company Limited (FCAM)

Finansa (Cambodia) Company Limited (FCAM) is incorporated in Cambodia. The type of business is analysis the investment opportunities in Cambodia. The paid-up capital as of 31 December 2008 was Baht US\$ 8,000. The major shareholder is FNS which holds 100% in FCAM. In Present, FCAM is non-operating company.

The shareholding structure of the Company as of 21 August 2018 is as follows:



Source: Information from the Company

Remark: /1 Non-operating

/2 Siam Investment Partners, L.P. is under liquidation process.

/3 Finansia Syrus Securities Public Company Limited holds an investment in FSS International Investment Advisory Securities Co., Ltd. at the portion of 96.25% ; therefore, the Company and its subsidiaries hold an investment in FSSIA at the portion of 31.94% in totals.

2.3 Revenues

Revenue structure as of 31 December 2015 – 31 December 2017 and six months period ended 30

June 2018

(Unit : Thousand)

Revenue Structure	2015		2016		2017		Jan – Jun 2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues								
Revenues from investment, advisory and management business	116,490	12.34	64,744	15.52	28,807	5.97	11,385	5.76
Revenues from securities business	238,901	25.31	157,988	37.88	245,325	50.84	97,177	49.14
Revenues from warehouse and factory leasing business	137,388	14.55	187,072	44.85	180,795	37.47	87,055	44.02
Gain on disposal of investment in subsidiaries	154,327	16.35	-	-	-	-	-	-

Revenue Structure	2015		2016		2017		Jan – Jun 2018	
	Amount	%	Amount	%	Amount	%	Amount	%
/ associates								
Gains from the sale of office space	109,787	11.63	-	-	-	-	-	-
Other income	187,070	19.82	7,294	1.75	27,603	5.72	2,157	1.09
Total Revenues	943,963	100.00	417,098	100.00	482,530	100.00	197,774	100.00

Source: Annual Report 2017

3. Board of Directors

List of Board of Directors of the Company as at 26 June 2018 consists of the following:

No	Name	ตำแหน่ง
1.	Dr. Virabongsa Ramangkura	Chairman and Independent Director
2.	Mr. Vorasit Pokachaiyapat	Managing Director / Director
3.	Mr. Varah Sucharitakul	Director
4.	Mr. Eugene S. Davis	Director
5.	Mr. Vorapak Tanyawong	Director
6.	Mr. Akarat Na Ranong	Independent Director, Chairman of the Audit Committee
7.	Mr. Nuttawut Phowborom	Independent Director and Member of the Audit Committee
8.	Mr. Chanmanu Sumawong	Independent Director, Member of the Audit Committee

Source: SET

The directors authorized to sign documents that will be binding on the Company pursuant to the Company Affidavit as of 26 June 2018 consist of Mr. Vorasit Pokachaiyapat, Mr. Varah Sucharitakul or Mr. Eugene S. Davis any two of these three directors can sign jointly and affixing the Company seal.

4. Shareholding Structure

List of major shareholders in the Company as of 8 May 2018 is as follows:

No.	Shareholder Name	Number of Shares	% of Paid-up Capital
1.	Mr. Vorasit Pokachaiyapat		
	Mr. Vorasit Pokachaiyapat	20,980,000	8.49
	MORGAN STANLEY & CO. INTERNATIONAL PLC ¹	13,776,855	5.58
	M.L. Suddhiman Pokachaiyapat ²	10,500,000	4.25
	Total	45,256,855	18.32
2.	Mr. Kobkhun Tienpreecha	33,430,000	13.53
3.	DEUTSCHE BANK AG SINGAPORE - PWM	18,267,990	7.39
4.	Miss Yasinee Apitanothai	8,527,200	3.45
5.	Mrs. Prakaikam Baikaw	6,192,000	2.51

No.	Shareholder Name	Number of Shares	% of Paid-up Capital
6.	UBS AG SINGAPORE BRANCH	5,723,800	2.32
7.	Mr. Wachira Tayanaraporn	5,600,000	2.27
8.	Mrs. Monravee Davis ³	4,360,000	1.76
9.	Mr. Wuthakarn Jira-alongkorn	3,905,700	1.58
10.	Mrs. Thidarat Arunwilairat	3,637,900	1.47
Total shares held by major 10 shareholders		134,901,445	54.61
Other shareholders		112,138,155	45.39
Total		247,039,600	100.00

Source: Information from the Company

Remarks: 1/ Custodian for trading account of Mr. Vorasit Pokachaiyapat and M.L. Suddhiman Pokachaiyapat

2/ Related person as per Article 258 of Mr. Vorasit Pokachaiyapat

3/ Indirect shareholding by Thai NVDR Company Limited 0.121%

5. Summary of Financial Positions and Operating Performance

Summary table of balance sheet of the Company and its Subsidiaries as of 2015-2017 and six months as at 30 June 2018 is as followed:

(Unit : THB Thousand)

List	2015		2016		2017		Jan – Jun 2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets								
Cash and cash equivalents	200,057	5.66	82,548	2.24	98,350	2.74	88,951	2.51
Temporary investments	289,812	8.20	380,173	10.33	207,559	5.78	264,797	7.47
Service income receivables								
Related parties	3,266	0.09	36	0.00	267	0.01	320	0.01
Other parties	47,555	1.35	24,845	0.67	118,614	3.30	22,286	0.63
Total service income receivables	50,821	1.44	24,881	0.68	118,881	3.31	22,606	0.64
Receivables and loans to others, current portion	1,005	0.03	2,312	0.06	20,827	0.58	50,834	1.43
Other receivables	94,559	2.68	45,705	1.24	7,819	0.22	10,941	0.31
Short-term loans and advances to related parties	535	0.02	572	0.02	613	0.02	499	0.01
Other current assets	52,966	1.50	37,718	1.02	45,220	1.26	39,225	1.11
Total current assets	689,755	19.51	573,909	15.59	499,269	13.90	477,853	13.48
Non-current assets								
Deposits subject to restrictions	623	0.02	620	0.02	615	0.02	610	0.02

List	2015		2016		2017		Jan – Jun 2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Long-term investments -								
Available-for-sale securities	28,981	0.82	25,464	0.71	67,910	1.84	110,047	3.11
Investment in associates	1,284,318	36.22	1,289,494	35.90	1,260,988	34.26	1,095,300	30.99
Long-term investments in related parties	74	0.00	73	0.00	80	0.00	80	0.00
Other long-term investments –								
General investments	28,651	0.81	28,651	0.80	7,800	0.21	7,800	0.22
Receivables and loans to others, net of current portion	238,498	6.73	238,617	6.64	201,816	5.48	3,406	0.10
Premises and equipment	88,456	2.49	85,264	2.37	86,770	2.36	87,535	2.48
Goodwill	156,920	4.43	156,920	4.37	156,920	4.26	156,920	4.44
Leasehold rights	1,230,893	34.71	1,259,248	35.06	1,316,430	35.76	1,373,610	38.86
Intangible assets	5,294	0.15	5,404	0.15	6,673	0.18	3,797	0.11
Deferred tax assets	1,188	0.03	1,031	0.03	606	0.02	467	0.01
Other non-current assets	4,199	0.12	2,081	0.06	624	0.02	5,437	0.15
Total non-current assets	3,068,095	86.52	3,092,867	86.10	3,107,232	84.41	2,845,009	80.49
Total assets	3,545,948	100.00	3,592,136	100.00	3,681,141	100.00	3,534,764	100.00
Current Liabilities								
Short-term debentures	100,000	2.82	100,000	2.78	150,000	4.07	405,315	11.47
Short-term loans and advances from related parties	387	0.01	-	-	-	-	-	-
Long-term debentures, current portion	240,000	6.77	240,000	6.68	350,000	9.51	-	-
Corporate income tax payable	2,769	0.08	9,745	0.27	1,986	0.05	9	0.00
Other current liabilities								
Accrued bonus	13,155	0.37	58,545	1.63	44,851	1.22	97,378	2.75
Accrued expenses	4,030	0.11	3,705	0.10	3,745	0.10	3,791	0.11
Other accounts payable	43,283	1.22	39,457	1.10	41,056	1.12	40,583	1.15
Others	46,369	1.31	41,065	1.14	40,570	1.10	70,163	1.98
Total other current liabilities	106,837	3.01	142,772	3.97	130,222	3.54	211,915	6.00
Total current liabilities	449,993	12.69	492,517	13.71	632,208	17.17	617,239	17.46
Non-current liabilities								
Liabilities under finance lease agreements, net of current portion	1,236	0.03	-	-	-	-	-	-
Long-term debentures, net of current portion	730,000	20.59	730,000	20.32	770,000	20.92	720,000	20.37
Deposits from customers	68,517	1.93	66,625	1.85	70,128	1.91	70,316	1.99

List	2015		2016		2017		Jan – Jun 2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Provision for post-employment benefits	24,372	0.69	23,314	0.65	23,440	0.64	16,352	0.46
Total non-current liabilities	824,125	23.24	819,939	22.83	863,568	23.46	806,668	22.82
Total liabilities	1,274,118	35.93	1,312,456	36.54	1,495,776	40.63	1,423,907	40.28
Shareholders' Equity								
Share capital								
Authorized share capital								
247,039,600 ordinary shares of Baht 5 each	1,235,198	34.83	1,235,198	34.39	1,235,198	33.55	1,235,198	34.94
Issued and paid-up share capital								
247,039,600 ordinary shares of Baht 5 each, fully paid	1,235,198	34.83	1,235,198	34.39	1,235,198	33.55	1,235,198	34.94
Premium on ordinary shares	208,455	5.88	208,455	5.80	208,455	5.66	208,455	5.90
Retained earnings								
Appropriated								
Legal reserve	40,000	1.13	40,000	1.11	34,800	0.95	26,800	0.76
Unappropriated	1,098,232	30.97	1,112,045	30.96	1,008,756	27.40	915,314	25.89
Other components of shareholders' equity	(310,055)	(8.74)	(316,018)	(8.80)	(301,844)	(8.20)	(274,910)	(7.78)
Total Shareholders' Equity	2,271,830	64.07	2,279,680	63.46	2,185,365	59.37	2,110,857	59.72
Total Liabilities and Shareholders' Equity	3,545,948	100.00	3,592,136	100.00	3,681,141	100.00	3,534,764	100.00

Source: Financial Statement of the Company

Statement of profit or loss of the Company and its Subsidiaries as of 2015-2017 and six months as at 30 June 2018 is as followed:

(Unit : THB Thousand)

List	2015		2016		2017		Jan – Jun 2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues								
Revenues from investment, advisory and management business	116,490	12.34	64,744	15.52	28,807	5.97	11,385	5.76
Revenues from securities business	238,901	25.31	157,988	37.88	245,325	50.84	97,177	49.14
Revenues from warehouse and factory leasing business	137,388	14.55	187,072	44.85	180,795	37.47	87,055	44.02

List	2015		2016		2017		Jan – Jun 2018	
	Amount	%	Amount	%	Amount	%	Amount	%
Gain on disposal of investment in subsidiaries / associates	154,327	16.35	-	-	-	-	-	-
Gains from the sale of office space	109,787	11.63	-	-	-	-	-	-
Other income	187,070	19.82	7,294	1.75	27,603	5.72	2,157	1.09
Total revenues	943,963	100.00	417,098	100.00	482,530	100.00	197,774	100.00
Costs and expenses								
Finance costs	40,835	4.33	57,702	13.83	52,508	10.88	25,550	12.92
Investment, advisory and management business costs and expenses	33,862	3.59	35,257	8.45	38,793	8.04	18,168	9.19
Securities business costs and expenses	108,771	11.52	82,086	19.68	108,680	22.52	56,800	28.72
Warehouse and factory leasing business costs and expenses	67,155	7.11	93,792	22.49	90,149	18.68	-	-
Servicing and administrative expenses	88,782	9.41	54,779	13.13	43,038	8.92	45,845	23.18
Loss on impairment of investment	-	-	-	-	23,753	4.92	22,568	11.41
Directors and managements remuneration	102,069	10.81	52,196	12.51	49,315	10.22	26,850	13.58
Total Costs and Expenses	441,474	46.77	375,812	90.10	406,236	84.19	195,781	98.99
Share of gain from investments in associated companies	69,029	7.31	96,637	23.17	74,949	15.53	26,189	13.24
Profit before income tax expense	571,518	60.54	137,923	33.07	151,243	31.34	28,182	14.25
Income tax expense	(8,685)	(0.92)	(7,242)	(1.74)	(18,940)	(3.93)	(4,940)	(2.50)
Net profit for the year	562,833	59.62	130,681	31.33	132,303	27.42	23,242	11.75

Source: Financial Statement of the Company

Statements of cash flow of the Company and its subsidiaries of the Company and its Subsidiaries as of 2015-2017 and six months as at 30 June 2018 is as followed:

(Unit : THB Thousand)

List	2015	2016	2017	Jan – Jun 2018
Cash flows (paid) from operating activities	30,644	(187,454)	220,802	(727)
Cash flows (paid) from investment activities	(303,352)	(45,024)	56,622	22,974
Cash flows (paid) from financing activities	209,093	119,297	(224,703)	(37,117)

Net increase (decrease) in cash and cash equivalents	58,089	(117,509)	15,802	(9,399)
Cash and cash equivalents as at December 31	200,057	82,548	98,350	88,951

Source: Form 56-1 and financial statement of the Company

Financial Ratios of the Company and its Subsidiaries as of 2015-2017 and six months as at 30 June 2018 are as followed:

Financial Ratios	Unit	2015	2016	2017	Jan-Jun 2018
Liquidity ratio					
Current Ratio	Time	1.12	0.91	1.01	1.06
Quick Ratio	Time	0.80	0.74	0.66	0.90
Cash flow current ratio	Time	0.05	(0.30)	0.39	(0.00)
Account Receivable Turnover	Time	1.12	0.91	1.01	1.06
Profitability Ratio					
Operating Profit Margin	Percent	57.56	23.73	26.69	13.93
Cash to profit margin	Percent	5.64	-189.37	171.43	-2.64
Net Profit Margin	Percent	59.62	31.33	27.42	11.75
Return On Equity	Percent	26.66	6.08	5.93	1.02
Efficiency Ratio					
Return On Asset	Percent	15.92	3.62	3.64	0.66
Asset turnover	Time	0.27	0.12	0.13	0.06
Leverage Ratio or Financial Ratio					
Debt to Equity Ratio	Time	0.67	0.68	0.58	0.56
Interest Coverage Ratio	Time	2.30	-1.94	5.67	1.70
Commitment coverage ratio (Cash basis)		0.10	(2.16)	0.87	(0.03)

Source: Calculated by IFA

Operating Performance and Financial Position Analysis

Operating Performance

For the year ended 31 December 2017, the consolidated financial results of Finansa Public Company Limited and its subsidiaries showed a net profit of THB 132.3 million or a net profit of THB 0.54 per share, an increase of THB 1.6 million or 1% compared with a net profit of THB 130.7 million or THB 0.53 per share recorded last year.

Total revenues were THB 482.5 million, increasing by THB 65.4 million or 16% from 2016. Major revenues comprised 1) THB 28.8 million from investment, advisory and management business, decreasing by THB 35.9 million or 55% from a decrease in advisory fee income, 2) THB 245.3 million from the securities business, increasing by THB 87.3 million or 55% as several advisory deals and underwriting deal were completed and 3) THB 180.8 million from the warehouse and factory leasing business, decreasing by THB 6.3 million or 3% as the occupancy rate was slightly lower.

Total costs and expenses were THB 406.2 million, increasing by THB 30.4 million or 8%. Major costs and expenses were 1) THB 52.5 million of finance costs, decreasing by THB 5.2 million or 9% from drops in outstanding of both short-term and long-term debentures, 2) THB 38.8 million from investment, advisory and management business, increasing by THB 3.6 million or 10%, 3) THB 108.7 million from the securities business, increasing by THB 26.6 million or 32% following an increase in revenue, 4) THB 90.1 million from the warehouse and factory leasing business, decreasing by THB 3.7 million or 4% following a decrease in revenue, 5) THB 43 million of servicing and administrative expenses, decreasing by THB 11.8 million or 22% as there was a loss on exchange in 2016 versus a gain on exchange in 2017, 6) THB 23.8 million from loss on impairment of investment resulting from a drop in net asset value of investment in a foreign fund and 7) THB 49.3 million from director and management remuneration, decreasing by THB 2.9 million or 6%. In addition, the Company and its subsidiaries recognized a share of gain from investments in associated companies of THB 74.9 million, decreasing by THB 21.7 million or 22% in line with operating results of associated companies.

For the ended of 30 June 2018, the consolidated financial results of Finansia Public Company Limited and its subsidiaries showed a net profit of THB 23.2 million or a net profit of THB 0.09 per share, an increase of THB 45.4 million or 66% compared with a net profit of THB 68.6 million or THB 0.28 per share recorded same period last year.

Total revenues were THB 197.77 million, decreasing by THB 24.5 million or 11% from the same period last year. Major revenues comprised 1) THB 11.4 million from investment, advisory and management business, decreasing by THB 4.4 million or 28.2% from a decrease in foreign fund, 2) THB 97.2 million from the securities business, decreasing by THB 2.3 million or 2.3% 3) THB 87.1 million from the warehouse and factory leasing business, decreasing by THB 4.1 million or 4.52% as the occupancy rate was slightly lower.

In addition, other revenues were THB 2.1 million, decreasing by THB 13.7 million from unrealized loss on exchange.

Total costs and expenses were THB 195.8 million, increasing by THB 19.8 million or 11.3%. Major costs and expenses were 1) THB 56.8 million from the securities business, increasing by THB 7.9 million, 2) THB 26.8 million from director and management remuneration, increasing by THB 10.6 million or 65.60% from increasing in financial advisor deals. 3) THB 25.6 million from financial cost, decreasing by THB 1.1 million from drops in outstanding of both short-term and long-term debentures and other costs and expenses were slightly higher.

Profitability Ratios

In 2017, Finansia recorded a net profit of THB 132.3 million or basic earnings per share of THB 0.54, compared with a net profit of THB 130.7 million or basic earnings per share of THB 0.53 in 2016. Net profit to total income of the group was 27.4%, lower than in 2016 which was 31.3% as there were higher revenues in 2017 but the net profits of both years were almost equal resulting from increases in expenses and income tax

as well as a decrease in profit sharing from associated companies. The return on average assets was 3.6% and return on average equity was 5.9%, close to those of 2016 which were 3.6% and 6.1%, respectively.

For the ended of 30 June 2018, Finansia recorded a net profit of THB 23.24 million or basic earnings per share of THB 0.09, compared with a net profit of THB 68.56 million or basic earnings per share of THB 0.28 in same period last year. Net profit to total income of the group was 11.75%, lower than same period in 2017 which was 30.75%.

Financial Position

As of 31 December 2017, the Company and its subsidiaries had total assets of THB 3,592.1 million, a decrease of THB 89 million or 2% from year-end 2016. The main components of these assets were THB 499.3 million of current assets and THB 3,092.8 million of non-current assets representing 14% and 86% of total assets, respectively. The main items showing significant changes from those of year-end 2016 were as follows:

- Cash and cash equivalents stood at THB 98.4 million, representing 3% of total assets, an increase of THB 15.8 million or 19% from 2016.
- Total investments stood at THB 261.7 million, representing 7% of total assets, a decrease of THB 194.2 million or 43%. This reflected the redemption of an investment in money market fund then used to 1) additionally invest in an exchangeable loan to a company with a convertible option to exchange into common shares of the company, 2) invest in common shares of a company and 3) repay matured short-term and long-term debentures. In addition, the net asset value of investment units in foreign fund also decreased.
- Service income receivables stood at THB 118.9 million, representing 3% of total assets, an increase of THB 94 million or 378%. This reflected the recording of revenues from completed advisory deals at year-end 2017.
- Other receivables stood at THB 7.8 million, a decrease of THB 37.9 million or 83% from receipt of the last payment on the sale of the membership of the SET transaction.
- Investment in associates stood at THB 1,289.5 million, representing 36% of total assets, an increase of THB 28.5 million or 2% . The changes reflected the recorded share of profits and received dividends from associated companies.
- Receivables and loans to others stood at THB 259.4 million, representing 7% of total assets, an increase of THB 55.3 million or 27% from additional investment, by a subsidiary, in an exchangeable loan to a company with a convertible option to exchange into common shares of the company and provided short-term loan to a company. Details on receivables and loans to others and related allowance for doubtful accounts are disclosed in Notes to the Financial Statements no. 3.18, 6 and 7.

- Goodwill, net stood at THB 156.9 million, representing 4% of total assets, no change from that of year-end 2016. The Company and its subsidiaries test for impairment of goodwill annually. Details on goodwill and estimation on impairment are disclosed in Notes to the Financial Statements no. 3.18 and 12.
- Leasehold rights, net, stood at THB 1,259.2 million, representing 35% of total assets, a decrease of THB 57.2 million or 4% from amortization according to the lease period
- Other current assets at THB 45.2 million or 1% of total asset, a decrease of THB 7.5 million or 20% from 2016. Other current assets are mainly withholding tax and income tax paid which increase from an increase in revenues.

Liquidity

Cash and cash equivalents of the Company and its subsidiaries as at year-end 2017 totaled THB 98.4 million, representing an increase of THB 15.8 million or 19% from year-end 2016 with the following movements.

- Net cash provided by operating activities totaled THB 220.8 million, resulting from cash flows from operating activities after adjustments of THB 233.5 million and changes in key operating assets and liabilities, i.e. temporary investments (-THB 173 million), service income receivables (+THB 94.7 million), receivables and loans to others (+THB 17.4 million), interest paid (-THB 52.5 million) and income tax paid (-THB 24.3 million).
- Net cash provided by investing activities totaled THB 56.6 million, comprising mainly cash paid for other long-term investment of THB 20.9 million, distribution from investment of THB 37.1 million and dividends received of THB 47.2 million.
- Net cash used in financing activities totaled THB 224.7 million, resulting from cash paid for matured debentures of THB 200 million and dividends paid of THB 24.7 million.

The current liquidity ratio (current assets/current liabilities) of the Group as of 31 December 2017 was 1.01, increased from 0.91 at year-end 2016. A higher ratio reflects a better short-term liquidity status resulting from decreases in both short-term assets and short-term liabilities; however, short-term liabilities decreased by a larger amount.

As of 31 December 2017, Finansa had an interest coverage ratio of 5.67 and a debt service coverage ratio (cash basis) of 0.87, compared to -1.95 and -1.28, respectively, in 2016. Both ratios were higher than those of 2016, reflecting positive net cash provided by operating activities status.

The Group has applied a collective liquidity management policy with regard to intercompany loans and borrowings. Under the management of the Group Risk Management Committee, the liquidity gap is

calculated to assess its capital and liquidity adequacy. Credit line facilities are reserved, in case the market situation does not allow short-term debt securities issuance, while liquid assets are maintained at an adequate amount. The Board of Directors assigned the Managing Director to set an internal policy to control debt securities issuance and to report the issued amount and outstanding amount to the Board of Directors in the quarterly meeting.

Finansa Securities Ltd., a subsidiary, has to maintain its liquidity ratio in accordance with the SEC's net capital rule (NCR). As of 31 December 2017, the subsidiary's NCR was 233.8%, which is higher than the minimum 7% requirement set by the SEC.

Sources of Funds

Liabilities

As of 31 December 2017, the total liabilities of the Group were THB 1,312.4 million, a decrease of THB 183.4 million or 12% from that of year-end 2016, of which 38% were current liabilities. The major items showing a significant change from those of year-end 2016 were as follows.

- Short-term debentures totaled THB 100 million, representing 8% of total liabilities, decreasing by THB 50 million or 33% from repayment of matured debentures and issuance of new debentures at a lower amount.
- Long-term debentures, current portion totaled THB 240 million, representing 18% of total liabilities, decreasing by THB 110 million or 31% following maturity of debentures.
- Accrued bonus totaled THB 58.5 million, representing 4% of total liabilities, increasing by THB 13.7 million or 31% following the better performance of a subsidiary.
- Long-term debentures, net of current portion totaled THB 730 million, representing 56% of total liabilities, decreasing by THB 40 million or 5% from repayment of matured debentures and issuance of new debentures at a lower amount.

Short-term debentures pay interest at maturity while long-term debentures pay interest on a quarterly basis. The Company complies with the terms and conditions of these debentures. See details of short-term and long-term debentures in Shareholder Structure and Management section.

Shareholders' Equity

At year-end 2017, the Company's equity in the consolidated financial statements was THB 2,279.7 million, an increase of THB 94.4 million or 4% from 2016. Changes in equity came from an increase in operating results of the year of THB 132.3 million and gain on revaluation of investments of THB 22.7 million against dividends payment of THB 24.7 million and loss from translation of financial statement differences of

THB 36.9 million. The book value at year-end 2017 was THB 9.23 per share, up from THB 8.85 per share at year-end 2016.

As of 31 December 2017, the Company's registered and paid up capital stood at THB 1,235.2 million while legal reserve was THB 40 million or 3.2% of its registered capital.

Capital Structure

As of 31 December 2017, the Group's capital structure comprised THB 1,312.4 million in liabilities and THB 2,279.7 million in equity, resulting in a debt to equity ratio of 0.58 compared to a ratio of 0.68 the previous year. The capital structure is considered to be appropriate and the debt to equity ratio is considered low. This indicates that the Group's capital came less from borrowing than equity, yielding lower risk of inability to pay debt obligations. The major sources of funds were short-term and long-term debentures issued by the Company. The major use of funds was additional investment in an exchangeable loan to a company with a convertible option to exchange into common shares of the company, investment in common shares of a company and repayment of matured short-term and long-term debentures.

Attachment 2

Valuation by Discounted Cash Flow Approach
of
Finansia Syrus Securities Public Company Limited ("FSS")

1. Assumption of Discounted Cash Flow Approach

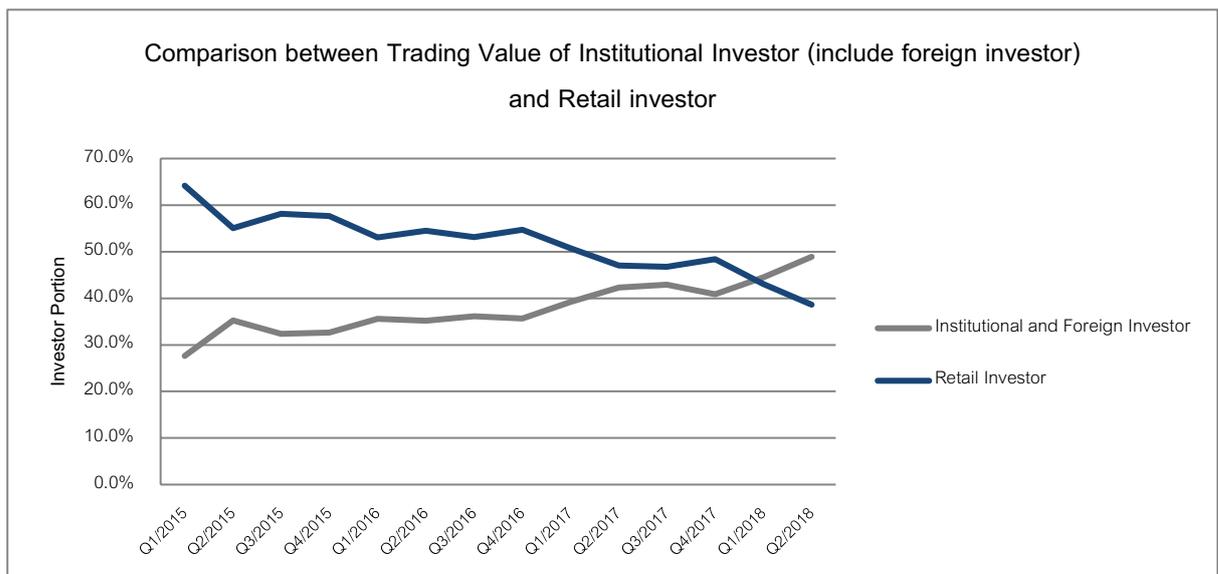
The Independent Financial Advisor has prepared financial projections of the Company from received information, as well as interviews with the management of the Company based on a conservative basis in order to obtain key assumptions. Details of assumptions and sum-of-the-parts valuation are as follows;

1. Securities Business

1.1. Assumption of Revenue from Securities Business

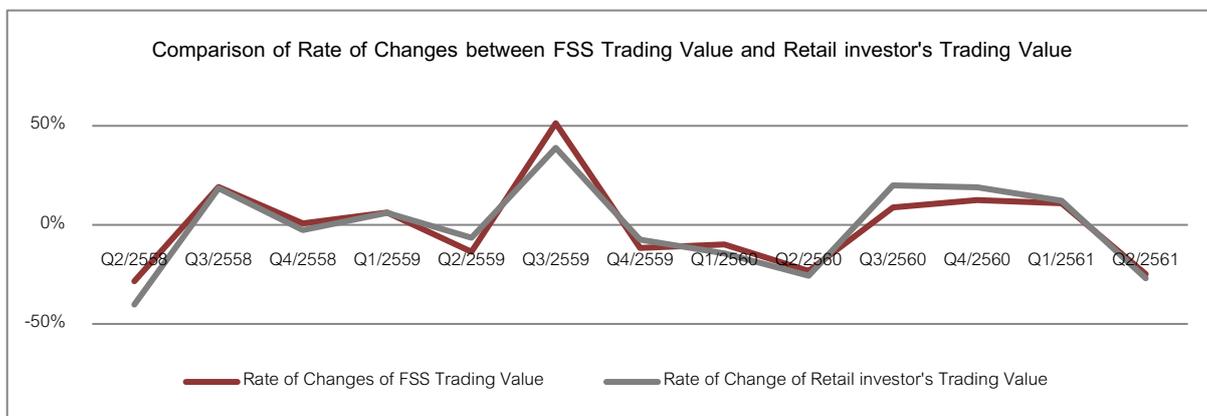
Independent Financial Advisor estimated growth of Trading Value of Thailand Stock exchange, with conservative basis, equal to 3% according to average long term growth of Thailand Gross Domestic Product (GDP).

The market share of FSS has decreased continuously since quarter 3 of 2016 which caused the declining trend of FSS trading value and average brokerage fee (calculated by brokerage fee revenue divided by FSS trade value). The main customer group of FSS is a group of domestic retail investor, whose trading dropped dramatically since quarter 3-4 of 2016 while foreign investor and institutional investor have increased to absorb the declining part of domestic retail in the market. The trending of trade value movement is shown below:



Source: setsmart

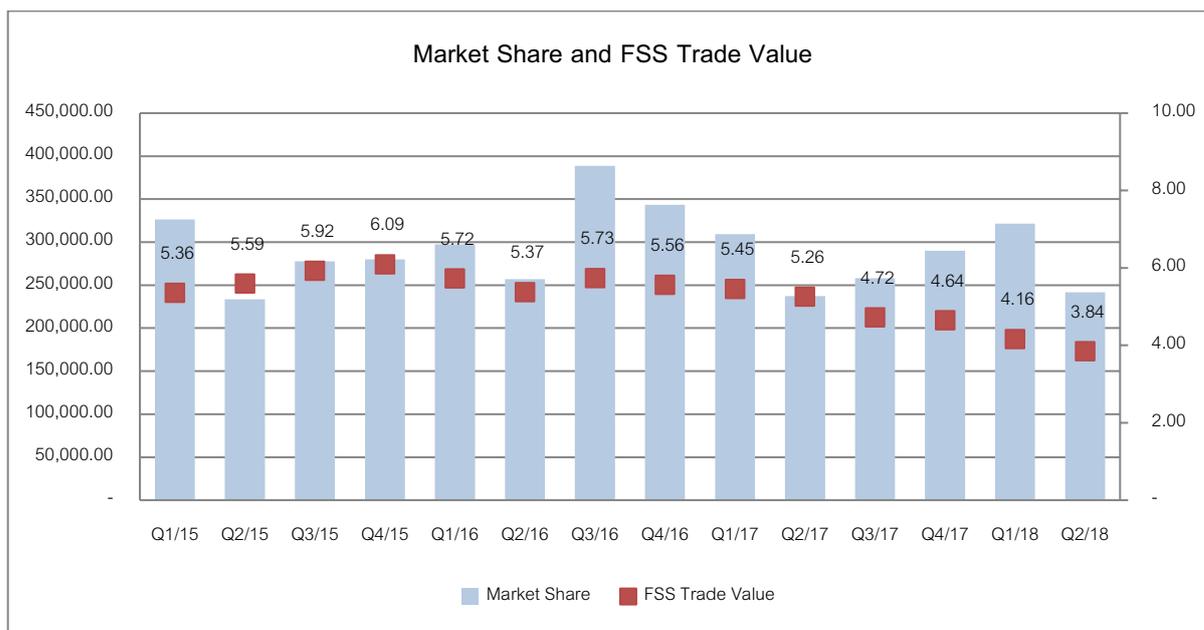
However, during July and August 2018, FSS trading value turned to improve with increase of trading value of 38.90% and 40.50% consecutively. Retail investors are the main customers trading with FSS and mostly contribute FSS revenue, as shown by the movement of % change of FSS trading value and retail investors' trading value as per below:



Source: setsmart

Remarks: FSS Trading Value doesn't include Proprietary Trader's trading value

According to management's viewpoint, the market has been fluctuate and when the market recover later, the company expects that the retail investors will turn to trade at normal level which result in increase of FSS market share and average brokerage fee; however, independent financial advisor has targeted, with conservative basis, the market share and average brokerage fee to be the same level as 2017 level which is 4.52% of market share by gradually increase 0.10% per year for market share and increase 0.002% per year for average brokerage fee from current level as shown below:



Source: setsmart

Remarks: FSS Trading Value doesn't include Proprietary Trader's trading value

The revenue assumption is summarized as follows:

Gross Trading Value	Thailand Trading value is projected to be 26,878 million baht for 2018, based on average of trial 12-month value from June 2018 backward. After 2018, the trading value is projected to grow 3% per year, based on long-term average growth of Thailand GDP.
Market Share	Independent Financial Advisor projected 2 nd half of 2018 period's market share equal to 4.32%, based on average of trial 12-month market share from June 2018 backward, which then gradually increases 0.1% per year until reaching 4.52% which is constant throughout the projection period. The projection is conservative compared to historical performance
Average Brokerage Fee	Independent Financial Advisor projected 2 nd half of 2018 period's brokerage fee equal to 0.1053%, based on average of trial 12-month fee backward, which then gradually increases 0.002% per year until reaching 0.1115% which is the level FSS achieved during 2017. The brokerage fee is constant at 0.1115% throughout the projection period, resulted from the recovery of retail investors' trade.

Source: Information from FSS and projections prepared by the Independent Financial Advisor.

Securities Business (Million Baht)	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Brokerage Fee Income	1,436.02	1,169.08	1,180.87	1,315.73	1,411.64	1,480.54	1,524.96

Source: Information from FSS and projections prepared by the Independent Financial Advisor.

2. Investment Banking Business

Revenues from Investment banking is a part of 'Fee and Services Income'. The underwriting fee, highly uncertain and volatile income, is expected to be 50 million baht for long-term average fee by FSS management perspective which is consistent with historical 4-year average of underwriting fee. Independent Financial Advisor forecasted 2018 underwriting fee based only on current backlog of year 2018, which is only 17.44 million baht, considerably low compared to the level of historical performance during 2015 – 2017 which FSS achieved 42.77 million baht – 80.40 million baht. After 2018, Independent Financial Advisor estimated the underwriting fee to return to the normal level at 50 million baht throughout the forecast period.

For part of Financial Advisory fee, Management expects that the investment banking department will continue to have clients in the financial advisory sector. However, the range of financial advisory services is diverse including mergers and acquisitions, debt restructuring, feasibility study, valuation and entering into various types of transactions and the price charged for each service is varied subject to the size, the scope of work, and the type of service. Independent Financial Advisor forecasted 2nd half of 2018 based on weighted average of 1st half of 2018. And, use 3-year average fee to forecast later years. The revenue projection is summarized below:

Investment Banking Revenues (Million Baht)	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Underwriting Fee	80.40	72.67	17.44	50.00	50.00	50.00	50.00
Financial Advisory Fee	9.26	20.14	17.59	15.66	15.66	15.66	15.66
Total Revenues from investment banking	89.65	92.81	35.03	65.66	65.66	65.66	65.66

Source: Information from FSS and projections prepared by the Independent Financial Advisor.

3. Other Businesses

Other businesses such as derivatives business, selling agent business, securities borrowing and lending business, bond and debenture business, and foreign securities business etc. Independent Financial Advisor projected other businesses' revenues as follows:

Revenues from securities borrowing and lending	Independent Financial Advisor averaged the ratio of historical 3-year revenues from securities borrowing and lending to brokerage fee, which is equal to 0.08% and maintain this ratio throughout the forecast period
Research Fee	FSS has provided research service to corporate client before but has already terminated the contract, hence there is no income for this part from now on
Selling Agent Fee	Based on historical 3-year average fee which is 8.30 million baht and keep constant throughout the forecast period
Gain (loss) on investment and derivatives	For Gain (loss) on investment, there were both gain and loss during recent years, independent financial advisor thus projected to be zero. For Gain (loss) on derivatives, FSS received only gain during the past years, therefore independent financial advisor forecast this part based on 3-year average gain
Interest and Dividend Income	Interest Income projection is based on 3-year average and dividend income is projected to be zero due to the feature of highly uncertainty
Other income	For Mark to Market Exchange Rate part, Independent Financial Advisor projected to be zero due to highly uncertain and volatile income. The other part is based on historical 3- year average.

Source: Information from FSS and projections prepared by the Independent Financial Advisor.

Summary of Revenues

Revenue from Other business (Million Baht)	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Revenues from securities borrowing and lending	2.63	0.89	0.90	1.01	1.08	1.13	1.17
Research Fee	28.00	45.70	14.31	-	-	-	-

Revenue from Other business (Million Baht)	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Selling Agent Fee	7.38	8.30	9.21	8.30	8.30	8.30	8.30
Other Fee and Services Income	0.62	0.87	2.00	1.12	1.12	1.12	1.12
Gain (loss) on investment and derivatives	173.25	193.21	157.79	110.96	110.96	110.96	110.96
Interest and Dividend Income	55.60	57.63	65.80	47.11	47.11	47.11	47.11
Other income	19.69	18.54	6.00	6.00	6.00	6.00	6.00
Total	287.17	325.13	256.01	174.49	174.57	174.62	174.65

Source: Information from FSS and projections prepared by the Independent Financial Advisor.

4. Shares of gain (loss) from investments in an associate and a joint venture

Shares of gain (loss) from investments include shares of gain (loss) from SBI Thai Online Securities Co., Ltd. and SBI Royal Securities Pcl. For SBI Thai Online Securities Co., Ltd., the shares have been sold out, hence this part is projected to be zero and lead to better performance because there were only losses incurred in the past. For SBI Royal Securities Pcl., which is located at Cambodia, Independent Financial Advisor projected to maintain gain at 0.39 million baht per year, based on gain during 2018.

Shares of gain (loss) from investment (Million Baht)	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Shares of gain (loss) from investment	(34.44)	(22.25)	(1.12)	0.39	0.39	0.39	0.39
Total	(34.44)	(22.25)	(1.12)	0.39	0.39	0.39	0.39

Source: Information from FSS and projections prepared by the Independent Financial Advisor.

5. Expenses

The assumption of expenses is shown below:

Employee benefits expenses	The Ratio of Fix cost to variable cost is approximately 75 to 25 for total employee benefits expenses. Independent Financial Advisor projected fix cost to grow 3% per year and use ratio of variable cost to brokerage fee during 2017 to forecast which is equal to 19.30% in order to be conservative since the ratio is higher than the past few years' ratios.
Fee and service expenses	The fix cost part is projected to grow 3% per year and the variable cost part is based on 0.0078% of FSS trade value
Finance Cost	Since most FSS liabilities are "Payables to Clearing House and broker-dealers" and "Securities and Derivatives business payables" which equal to 2,283.25 million baht and 111.34 million baht, respectively as of 30 June 2018. Such payables are the main operating costs of securities and derivative business, thus Independent Financial Advisor projected, with conservative basis, this part to be

	2.03% of total revenues, based on ratio of finance cost to total revenues during 1H2018 which can reflect current finance cost better and the ratio is higher than past few years'.
Loss from impairment on investment	None. Since FSS has already sold out all shares of SBI Thai Online Securities Co., Ltd.
Loss from Sale of investment in a joint venture	None. Since FSS has already sold out all shares of SBI Thai Online Securities Co., Ltd.
Other expenses	Projected to grow 3% per year

Source: Information from FSS and projections prepared by the Independent Financial Advisor.

Summary of Expense

Expense (Million Baht)	2016A	2017A	2018F	2019F	2020F	2021F	2022F
Employee benefits expenses	994.31	903.15	908.62	958.00	997.64	1,032.70	1,063.68
Fee and service expenses	159.52	146.24	149.75	159.29	167.21	172.23	177.39
Finance Cost	27.11	31.14	31.52	33.03	35.08	36.54	37.49
Bad debt and doubtful accounts (reversal)	(0.30)	5.66	(0.10)	-	-	-	-
Loss from impairment on investment	-	0.84	-	-	-	-	-
Loss from Sale of investment in a joint venture	-	0.29	-	-	-	-	-
Other expenses	367.36	359.59	424.03	436.75	449.85	463.35	477.25
Total	1,548.01	1,446.91	1,513.82	1,587.08	1,649.78	1,704.81	1,755.81

Source: Information from FSS and projections prepared by the Independent Financial Advisor.

6. Capital Expenditure

Capital Expenditure (Million Baht)	2018F	2019F	2020F	2021F	2022F
Capital Expenditure	(219.35)	(44.42)	(14.42)	(14.42)	(14.42)

There was large investment during year 2018 which focused on computer and software investment because FSS intends to serve various needs, customization, and efficiency improvement to clients. There will be also special investment for software upgrade during 2019 and after that only sustainable investment is projected from year 2020 onwards

7. Discount Rate

IFA use combined operating cash flow of FSS, and adjusted by Cost of Equity (K_e) of FSS, which is calculated at 7.75%

The calculation of K_e is as per below:

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

Risk Free Rate R_f	=	Risk Free Rate is calculated at 2.41% ^{1/} per year, based on 3-year average return from investment in Thai government bond 10 years. (as of 23 August 2018).
Market Expected Return R_m	=	Market Expected Return is calculated at 10.87% ^{2/} per year, based on 3-year average return from Stock Exchange of Thailand (as of 23 August 2018).
Beta β_l	=	Beta is at 1.10, calculated by comparing volatility of return of the Stock Exchange of Thailand to the return of similar businesses.
Market premium, $R_m - R_f$	=	The difference between the market expected return and risk free rate as of 23 August 2018 is at 8.45%, calculated based on 3 year average daily figures of the difference between the market expected return and risk free rate.

Source: 1/ and 2/ Bloomberg as of 23 August 2018

The Calculation of Levered Beta of FSS

IFA calculate Levered Beta of FSS by using the average of Unlevered Beta of listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as FSS's, adjusted for debt to equity ratio to reflect the capital structure risk of FSS.

Table of Average Unlevered Beta

Average Unlevered Beta is calculated by using listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as the Company's as per below:

No.	Company Name	Ticker Symbol	Unlevered Beta
1.	AEC Securities Public Company Limited	AEC	0.78
2.	AIRA Capital Public Company Limited	AIRA	0.48
3.	Asia Plus Group Holdings Public Company Limited	ASP	0.60
4.	Country Group Holdings Public Company Limited	CGH	0.85
5.	Capital Nomura Securities Public Company Limited	CNS	0.38
6.	KGI Securities Public Company Limited	KGI	0.39
7.	UOB Kay Hian Securities (Thailand) Public Company Limited	UOBKH	0.46
	Average		0.56

Source: Bloomberg as of 23 August 2018

$$\text{Beta } \beta_l = \beta_u(1 + (1 - t)(D/E))$$

β_u	=	Average unlevered beta of the Stock Exchange of Thailand, compared to listed companies in the Stock Exchange of Thailand with revenue similar to that of FSS and with assumption of no debt, calculated based on 3 year average figure as of 23 August 2018 ^{1/}	= 0.56
t	=	Corporate income tax	= 20.00%

Source: Bloomberg as of 23 August 2018 and calculation from IFA

Based on the above calculation, the Levered Beta of the Stock Exchange of Thailand compared to FSS's is equal to 0.63.

2. Summary of Present Value of Free Cash Flow

1. Financial Projection of Finansia Syrus Securities Public Company Limited

The Independent Financial Adviser projected cash flow of FSS by using assumptions in the calculation of net cash flow of FSS which is expected to receive in the future, while a discount rate is calculated from Cost of Equity (K_e). Cash flow projections can be summarized as follows;

	2H2018F	2019F	2020F	2021F	2022F
Brokerage fees income	585.17	1,315.73	1,411.64	1,480.54	1,524.96
Fees and service income	32.30	76.09	76.16	76.21	76.25
Interest on margin loans	34.12	68.00	72.48	75.35	77.61
Gain and return on financial instruments	89.48	158.07	158.07	158.07	158.07
Shares of gain (loss) from investments in an associate and a joint venture	0.20	0.39	0.39	0.39	0.39
Gain from change in a joint venture proportion	-	-	-	-	-
Gain on sale of investment in a joint venture	-	-	-	-	-
Other income		6.00	6.00	6.00	6.00
Total income	741.28	1,624.29	1,724.75	1,796.57	1,843.28
Expenses					
Employee benefits expenses	459.76	958.00	997.64	1,032.70	1,063.68
Fees and service expenses	61.62	159.29	167.21	172.23	177.39
Finance costs	15.08	33.03	35.08	36.54	37.49
Bad debt and doubtful accounts (reversal)	-	-	-	-	-
Loss from impairment on investment	-	-	-	-	-
Loss from Sale of investment in a joint venture	-	-	-	-	-
Other Expenses	212.01	436.75	449.85	463.35	477.25
Total Expenses	748.47	1,587.08	1,649.78	1,704.81	1,755.81
Profit (loss) before income tax	(7.20)	37.21	74.96	91.76	87.47
Income tax revenue (expense)	-	(7.44)	(14.99)	(18.35)	(17.49)
Profit (loss) after Tax	(7.20)	29.77	59.97	73.41	69.98
Depreciation and Amortization	20.56	62.25	59.65	58.13	52.42
Capital Expenditure	(129.93)	(44.42)	(14.42)	(14.42)	(14.42)
Change in Working Capital	174.58	(144.27)	(103.11)	(66.30)	(32.04)
Free Cash Flow to Equity (FCFE)	58.02	(96.67)	2.09	50.82	75.93

	2H2018F	2019F	2020F	2021F	2022F
Year	0.36	1.36	2.36	3.36	4.36
K _e	7.75%	7.75%	7.75%	7.75%	7.75%
Discount Factor	0.97	0.90	0.84	0.78	0.72

Source: Information from FSS and projections prepared by the Independent Financial Advisor.

Summary of Base Case

The Independent Financial Advisor evaluated the reasonableness of the valuation of fair value of FSS by using discounted free cash flow to equity approach. The valuation can be summarized as follows;

Items	Value	Remarks
Net present value of cash flow	65.29	
Terminal Value	707.70	
Excess Cash	774.09	
Value of FSS	1,547.09	THB Million

Source: Projections prepared by the Independent Financial Advisor

Value of FSS based on Discounted Cash Flow Approach is **1,547.09 Million Baht**

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Attachment 3

The valuation by using Discounted Cash Flow Approach
of
M.K. Real Estate Development Public Company Limited ("MK")

1. Key assumptions

The Independent Financial Advisor has prepared financial projections of the MK from received information, as well as interviews with the management of the MK based on a conservative basis in order to obtain key assumptions. Details of assumptions and sum-of-the-parts valuation are as follows;

1. Property Development for Sale

MK operates business of property development for sale under the brand of "Chuan Chuen" and "Sirin House" which are located in Bangkok and its perimeter.

1.1 Revenue from Property Development for Sale

The Independent Financial Advisor has chosen to evaluate the value, only projects that are completed and in process of ownership transfer to customers, projects under development, and projects with existing land for development that are certain to be sold in order to be ready to launch for sale in the near future.

Revenue from property development for sale will be recognized when the ownership is transferred to the customer. As of 30 June 2018, MK has projects under development and launched for sale in a total amount of 12 projects. The Independent Financial Advisor estimated sales in the future from the number of remaining units of each project and selling prices in accordance with the MK's business plans which are consistent with the selling prices and the actual sales of the projects in the past. For projects under development, there are 7 projects under development. The Independent Financial Advisory estimated sales based on the MK's business plans by comparing with the ability to develop projects of MK in the past, other projects located in the adjacent area, and the actual costs of land acquisitions of MK. Details are as follows;

Project Type	Number of Project	Project Value ^{1/} (THB Million)	Transferred Value ^{2/} (THB Million)	Waiting to be Transferred Value ^{3/} (THB Million)
Projects launched for sale	12	7,111.31	3,388.59	3,722.72
Projects not yet launched for sale	7	7,031.69	-	7,031.69

Source: Information from MK

Notes: 1/ Project value is the total value of the transferred projects and waiting to be transferred projects.

2/ Transferred value is the actual revenue of the projects ended 31 March 2018.

3/ Waiting to be transferred value is calculated from the expected sales in the future based on business

plans of MK and projections prepared by the Independent Financial Advisor that will take place after 30 June 2018 until the end of the projects.

The Independent Financial Advisor has not included projects under land acquisition and projects that may arise in the future in accordance with the business plans of MK.

1.2 Costs of Property Development for Sale

Costs of property development for sale include land costs, construction costs, and other costs related to projects development which will happen in the same period of recognition of revenue from sale. The Independent Financial Advisor projected the ratio of costs to revenue during the year 2018 - 2024 at 59.36 – 67.08 percent of revenue from property development for sale. These assumptions are based on the actual historical costs of each project and costs expected by MK to occur until the end of the projects which are close to the ratio of costs to revenue of MK in the past.

1.3 Selling and Administrative Expenses

To calculate selling and administrative expenses of the business of property development for sale, the Independent Financial Advisor used the following assumptions;

Selling Expenses	Selling expenses include sales promotion expenses, advertising costs, commissions, sales staff expenses, and other expenses related to the sale of projects. The Independent Financial Advisor assumed the ratio of selling expenses to revenue at 8.24 – 10.62 percent of revenue from the business of property development for sale based on actual costs and business plans of MK.
Administrative Expense	Administrative expenses include project management fee, repair costs, utilities, and other expenses related to project management. The Independent Financial Advisor assumed the ratio of administrative expenses to revenue at 3.71 – 8.29 percent of revenue from the business of property development for sale based on actual costs and business plans of MK.

Source: Information from MK and projections prepared by the Independent Financial Advisor.

2. Apartments for Rent

MK operates the Park Court Grand Apartment Sukhumvit 77 which targets on high-end market and foreigners residing or working in Thailand. The key assumptions are as follows;

2.1 Assumptions of Revenue from Apartments for Rent

The main revenue from apartments for rent is revenue from rent according to the actual information of MK until June 2018 and actual rent agreements until September 2018. As of September 2018, the Park Court has 24 rented room units per month which is the base for projections. The Independent Financial Advisor projected the number of rented room units per month will remain at 24 units until the end of 2018 (between October - December 2018). After that the Independent Financial Advisor prudently projected that the Park Court will have the rented

room units increased by 1 unit per month from January 2019 until the number of rented room units reach 38 units per month, which is the number determined by the Independent Financial Advisor as the maximum capacity, accounted for approximately 90 percent of the total number of available room units of 42 units. The number of rented room units will not have a further growth and remain at 38 units per month throughout the projection period. In terms of rental rate, the Independent Financial Advisor used the average rental rate from the latest month (September 2018) as the base and assumed that the rental rate will have a growth rate of 3.00 percent per year from 2019 throughout the projection period. Details are as follows;

Assumptions	Unit	2018F	2019F	2020F	2021F	2022F	2023F	2024F
Increased rooms	Units	23	12	2	-	-	-	-
No. of rooms	Units	24	36	38	38	38	38	38
Average room rate (per month)	THB Million	0.11	0.12	0.12	0.13	0.13	0.13	0.14

Source: Information from MK and projections prepared by the Independent Financial Advisor.

2.2 Costs of Rental

Costs of rental of this type of business include depreciation as the main costs. The Independent Financial Advisor projected the depreciation in accordance with the available room units for rent based on the actual average depreciation of rented room units.

2.3 Selling and Administrative Expenses

Selling and administrative expenses include common expenses, rent of storage space, staff salaries, and miscellaneous fees in which the major expenses are common expenses. The Independent Financial Advisor assumed that selling and administrative expenses will have a growth rate of 3.00 percent per year.

3. Golf Course

Golf course business has the renovation under the new symbol and name "Flora Ville Golf & Country Club". The golf course consists of 18 holes and is complete with a clubhouse and a driving range, covering a total of approximately 400 rais in area. It is located on Bangkok-Pathum Thani Road, Mueang District, Pathum Thani District.

3.1 Revenue from Sales and Service

The Independent Financial Advisor projected the growth rate of the number of users at 7.00 percent in the years 2018 – 2019. The growth of the number of users in 2017 and continue to the year 2019 are the results of aggressive marketing strategies, investment in golf course renovation, purchase of new golf cars, and construction of a new club house. Then, the growth rate will decrease to 3.00 percent in 2020 and constant at 1.00 percent in the following years. In terms of spending rate per user in 2018, the Independent Financial Advisor

assumed the average spending rate based on the actual spending in the first quarter of the year at THB 940.89. The growth rate in 2019 is 5.00 percent as a result of aggressive marketing strategies, investment in golf course renovation, purchase of new golf cars, and construction of a new clubhouse. Therefore, there is an increase in the number of users who are not members to play at the standard prices which results in the continuous increase in the average green fee revenue. The growth rate decrease to 3.00 percent in 2020, and decrease to 1.00 percent in the following years.

Assumptions	2015A	2016A	2017A	2018F	2019F	2020F	2021F	2022F	2023F	2024F
No. of Users (Users)	49,735	49,792	50,786	54,341	58,145	59,889	60,488	61,093	61,704	62,321
Growth (percent)		0.11%	2.00%	7.00%	7.00%	3.00%	1.00%	1.00%	1.00%	1.00%
Green fee per users (Baht)	853.24	820.41	855.02	941	988	1,018	1,028	1,038	1,048	1,059
Growth (percent)		-3.85%	4.22%	10.04%	5.00%	3.00%	1.00%	1.00%	1.00%	1.00%

In addition to revenue from golf course, there are also other revenues, including revenue from food and beverage, revenue from Proshop, revenue from Sport Club management, and other revenues. The Independent Financial Advisor has assumptions as follows;

Revenue from Golf Car	The Independent Financial Advisor projected number of golf car users to have ratio of 42.46 percent of golf course users.
Revenue from Food and Beverage	The Independent Financial Advisor determined the proportion of revenue from food and beverage to revenue from golf course at 43.51 percent, according to the actual revenue in the first half of the year because the construction of Club house was completed and there was a growth in revenue.
Revenue from Proshop	The Independent Financial Advisor determined the proportion of revenue from Proshop to revenue from golf course at 6.14 percent, according to the average rate in the previous 3 years.
Revenue from Sport Club Management	Revenue from Club House and Sport Club management that was launched in the second quarter of the year and was expected to have a revenue proportion of 4 percent of revenue from golf course in the following year.
Other Revenues	Other revenues accounted for 1.31 percent of revenue, according to the average rate in the previous 3 years.

Source: Information from MK and projections prepared by the Independent Financial Advisor.

3.2 Cost of Sales

To calculate costs of sales of golf course, the Independent Financial Advisor compared the previous costs of various revenues as follows;

Costs of Golf Course	Costs of golf course include maintenance costs, project management fee, and wages of golf course workers. According to the projections of the increasing number of users and rising spending per user, the Independent Financial Advisor assumed that the cost of sales rate is equal to the rate in 2017 at 33.63 percent, which is in line with the cost of golf course in the
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	first quarter of the year 2018.
Costs of Golf Car Services	Costs of golf car services include maintenance costs as the key costs. In addition, increasing number of golf car users and increasing revenue per user, the Independent Financial Advisor assumed that the cost of sales rate is equal to the rate in 2017 at 2.12 percent, which is in line with the costs of golf car service in the first quarter of the year 2018.
Costs of Food and Beverage	Costs of food and beverage include costs of food and beverage, as well as administrative expenses, and wages of restaurant workers. The Independent Financial Advisor assumed the ratio of costs of food and beverage to revenue from food and beverage at 62.28 percent, equal to the rate in 2017, which is in line with the costs of food and beverage in the first quarter of the year 2018.
Costs of Proshop	Costs of Proshop include Proshop administrative expenses and equipment costs. The Independent Financial Advisor assumed that the ratio of costs to revenue of Proshop is equal to the rate in 2017 at 59.16 percent, which is in line with the costs of Proshop in the first quarter of the year 2018.
Costs of Sport Club Management	Costs of Club House and Sport Club management include labor costs and utilities. Club House was launched in the second quarter of the year and was expected to have costs ratio at 4.00 percent of revenue of golf course and increase to 5.00 percent of the revenue of golf course in the following year.

Source: Information from MK and projections prepared by the Independent Financial Advisor.

3.3 Selling and Administrative Expenses

To calculate the selling and administrative expenses of golf course, the Independent Financial Advisor compared previous costs of various revenues as follows;

Selling Expenses	According to historical data, MK spent selling expenses less than budget. In 2016 and 2017, proportions of selling expenses were 0.17 and 0.94 respectively. According to interviews with the management, MK has a policy to increase selling expenses in 2017 and more in 2018 at 3.50 percent of revenues, which drove an increasing number of users in line with an increasing number of users in the previous quarter.
Administrative Expenses	Administrative expenses include location costs, staff expenses, utilities bills, and office expenses. The Independent Financial Advisor assumed the average proportion of expenses to revenue in the previous 3 years at 23.61 percent, which is in line with administrative expenses in the previous quarter.

Source: Information from MK and projections prepared by the Independent Financial Advisor.

3.4 Capital Expenditure and Depreciation

Since MK constructed and renovated the new Club House, capital expenditure and depreciation increased significantly. The Independent Financial Advisor projected capital expenditure and depreciation. According to the table below, by the year 2018, it shows the investment regarding the construction of a new club house for 99.46 million baht and purchase of new additional golf cars. And by the year 2021 to 2024, it shows the

purchase of golf cars and new equipment to replace the obsolete ones in order to operate business of 0.15 – 6.83 million baht.

4. Property Management

Property Management business is under Yours Property Management Co., Ltd. (“Yours”)

4.1 Revenue from property management

Service fees from property management can be divided into 2 parts: (1) Revenue from building management in which according to the information as of 30 June 2018, Yours managed 6 buildings and (2) Revenue from intra-group property management operated by Yours in a total amount of 12 projects. The Independent Financial Advisor has an opinion that such revenue received from projects, which can increase from the number of projects and service fees of projects that MK is managing. Since the Independent Financial Advisor prudently projected the number of projects after June 2018. There will only be revenue from intra-group property management currently managed by Yours that will have a growth rate of 3.00 percent per year.

In terms of revenue from juristic person establishment and meeting arrangement, since this part of revenue is one-time revenue of services, not recurring revenue as same as revenue from building and property management. Therefore, the Independent Financial Advisor projected that there will no longer be this part of revenue in the future due to the lack of new projects.

4.2 Cost of Property Management

Cost of property management is as this followings;

Project-Related Expenses	Project-related expenses mainly are staff expenses and staff-related expenses, representing more than 90 percent of the total costs of services. The Independent Financial Advisor assumed that the number of employees is constant. While, salary rate and expenses related to salary increase by 3.00 percent per year based on an increasing rate of revenue.
Sales Promotion Expenses	The Independent Financial Advisor projected sales promotion expenses based on the ratio of sales promotion expenses to revenue from services in the previous 12 months, which is equal to 0.31 percent throughout the projection period.

Source: Information from MK and projections prepared by the Independent Financial Advisor.

4.3 Selling and Administrative Expenses

The Independent Financial Advisor compared historical information in the preparation of the projection as follows;

Staff-Related Expenses (Office)	Staff-related expenses are the main part of selling and administrative expenses. The Independent Financial Advisor projected a growth rate of 3.00 percent per year for fixed expenses and projected bonuses and compensation based on total revenue from services. The proportion of staff-related expenses to revenue from services in the previous 12 months was 7.50 percent of total revenue from services.
Management Fee and Office Rent	Since these expenses are expenses under lease agreements and remain constant over the past 24 months, the Independent Financial Advisor projected management fee and office rent as fixed expenses and increased by 5.00 percent in every 4 years.
Other Administrative Expenses	Administrative Expenses decrease dramatically from the past in first half of 2018. The Independent Financial Advisor projected sales promotion expenses with the proportion of sales promotion expenses to revenue from services in the previous 12 months, or equal to 0.31 percent throughout the projection period.

Source: Information from MK and projections prepared by the Independent Financial Advisor.

5. Office Building for Rent and Headquarter

At present, the head office of MK provides office building space for rent in Mankhong Khehakan Building for the areas not being used by MK and car parking services. Mankhong Khehakan Building is temporary leasehold right that will expire in late 2018. However, MK is renovating its new office and plans to move to the new office in 2019.

5.1 Revenue from Office Building for Rent

Revenue from office building for rent includes office building rent, parking space rent, and other revenues. The Independent Financial Advisor assumed revenue from office building for rent equal to THB 15.69 million in 2018 with a growth rate of 3 percent from the previous year. Revenue from rent of Mankhong Khehakan Building will end this year and a new office will open office space not being used by MK for rent, retail stores, rooftop, and parking space for external customers. The Independent Financial advisor referred to information of MK and comparative rental of nearby areas to determined following assumptions;

Office Building for Rent	210 square meters of rental space with occupancy rate of 75 – 95 percent. Average rents start from THB 400 per square meter per month in the first 3 years with a growth rate of 6 percent in every 3 years.
Retail Space for Rent	510 square meters of rental space with occupancy rate of 75 – 95 percent. Average rents start from THB 600 per square meter per month in the first 3 years with a growth rate of 6 percent in every 3 years.
Rooftop Space	515 square meters of rental space with occupancy rate of 50 – 95 percent. Average rents start from THB 300 per square meter per month in the first 3 years with a growth

	rate of 6 percent in every 3 years.
Car Parking Space	Parking space for 34 cars with occupancy rate of 75 – 95 percent. Average rents start from THB 1,200 per month in the first 3 years with a growth rate of 6 percent in every 3 years.

Source: Information from MK and projections prepared by the Independent Financial Advisor.

5.2 Costs and Expenses of Office Building for Rent

Costs and expenses of office building for rent include maintenance costs, utilities bills, security expenses, cleaning expenses, insurance expenses, and others. The Independent Financial Advisor assumed costs and expenses of office building for rent equal to THB 18.71 million in 2018 with a growth rate of 3.00 percent from a previous year. While, costs and expenses of office building for rent from 2019 onwards equal to THB 11.32 million per year from the new office. The main expenses came from sublease fees with the rates starting at 6.00 million Baht during November 2018, and rising to 8.40 million Baht in 2019, based on the lease agreement between MK and the lessor. The Independent Financial Advisor assumed that the residual office costs and expenses grew 6 percent in every five years from 2022 onwards, according to the projection of the management.

5.3 Selling and Administrative Expenses of Headquarter

Selling Expenses	Consisting of sales promotion expenses, advertising expenses, public relation expenses, and other selling expenses related to MK directly. The Independent Financial Advisor assumed expenses ratio at 0.09 percent of the total revenue from operation of MK, which is based on the proportion in 2017.
Staff Expenses	Consisting of staff salaries, bonus, benefits, training expenses, meeting allowance for directors, and other expenses related to common property staff. The Independent Financial Advisor assumed a growth rate of 3.00 percent per year.
Other Office Expenses	Consisting of office building expenses, document filing expenses, petrol expenses, and other expenses of common property. The Independent Financial Advisor assumed a growth rate of 3.00 percent per year.
Depreciation and Amortization	Consisting of depreciation and amortization of office building and leasehold right. The Independent Financial Advisor assumed based on the policy of depreciation and amortization of MK.

Source: Information from MK and projections prepared by the Independent Financial Advisor.

5.4 Capital Expenditure

The Independent Financial Advisor assumed capital expenditure of the new office building in a total amount of THB 199.58 million, which can be divided into THB 73.18 million in 2018 and THB 126.40 million in 2019.

6. Warehouses and Factory Buildings for Rent

6.1 Warehouses and Factory Buildings for Rent by Prospect Development Co., Ltd.

Prospect Development Co., Ltd. (“Prospect”) provides warehouses and factory buildings for rent, under the project known as “Bangkok Free Trade Zone,” located on Mueang Mai Bang Phli Road, Bang Sao Thong District, Samut Prakan Province. The project is 354.75 rais in size, which is divided into (1) public utility area within the project, which is approximately 27.91 rais in size, and (2) area for the development of property for commercial purposes, i.e. factory buildings and warehouses for rent, which is approximately 326.84 rais in size. The latter area is also divided in two following categories;

- General Zone, approximately 103.16 rais in size.
- Free Zone, 251.59 rais in size.

In addition, MK has land of 700 rais on which it will develop commercial property in the form of manufacturing factories and warehouses for rent.

At the end of 2017, Prospect Development Co., Ltd. had a total space for rent of 114,974 square meters and expected to expand warehouse/factory space for rent to be 286,811 square meters by 2022. Occupancy rates were in a range of 81 – 93 percent. Rental rate per square meter will increase by 5 percent in every 6 years in accordance with the table below;

Prospect (Square Meter)	2016A	2017A	2018F	2019F	2020F	2021F	2022F	2023F	2024F
Space Available for Rent	55,202	85,475	114,974	150,361	198,860	241,273	286,811	286,811	286,811
Occupancy Rate	86%	89%	93%	87%	84%	81%	91%	91%	91%
Rental Rate per Square Meter	175.25	175.27	173.28	168.58	169.12	170.00	170.77	175.09	187.74

Source: Information from MK and projections prepared by the Independent Financial Advisor.

6.1.1 Revenue from Rent

Revenues of Prospect Development Co., Ltd. consist of rent, space management, and other revenues.

Projections of the Independent Financial Advisor are as follows;

Revenue from Rent	The Independent Financial Advisor projected revenue from rent based on the actual number of tenants and new tenants that will increase in the future in line with the expansion of space available for rent and the aforementioned projection of rental rate.
Revenue from Space management	Revenue from space management consists of revenue from common property management in the area of 89,024 square meters of TPARK, which is set at 9.45 percent of revenue from rent as shown in the table.
Other Revenues	Other revenues consist of utilities bills (electricity and water supply) of the entire project, accounted for 1.11 percent of revenue from rent and other service fees, such as agreements

	renewal, representing the average annual revenue of THB 2.55 million calculated from the agreement term of tenant until the end of project.
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Source: Information from MK and projections prepared by the Independent Financial Advisor.

6.1.2 Rental Expenses

To calculate expenses of warehouses and factory buildings for rent which is operated by Prospect Development Co., Ltd., the Independent Financial Advisor compared previous costs of various revenues as follows;

Rental Costs	Rental costs consist of common expenses, building rent from Chaiyanan-Bangplee Parkland Co., Ltd., and maintenance costs. The Independent Financial Advisor assumed the proportion of costs to revenue based on the actual information in 2017 at 6.47 percent, which is in line with rental costs in the previous quarter.
Rental Expenses	Rental expenses consist of sales staff salaries, commissions, utilities bills, and marketing expenses. The Independent Financial Advisor assumed the proportion of rental expenses at 6.03 percent based on the proportion of rental expenses to revenue in the first quarter of 2018 since the project of Prospect Development Co., Ltd. has space available for rent of 114,974 square meters, which is higher than the space in 2017. However, rental expenses will decrease continuously until the year 2022 at 4.00 percent because the space of the project is fully rented in that year.
Administrative Expenses	Administrative expenses consist of staff salaries, utilities bills, and other administrative expenses. The Independent Financial Advisor assumed the growth rate of administrative expenses at 3.00 percent per year based on the possible growth rate of staff salaries.

Source: Information from MK and projections prepared by the Independent Financial Advisor.

6.1.3 Capital Expenditure

Projections of capital expenditure for the construction of space available for rent by expanding space available for rent to 286,811 square meters by 2022 as follows;

Capital Expenditure (THB Million)	2018F	2019F	2020F	2021F	2022F
Capital Expenditure	(355.55)	(573.87)	(555.15)	(569.23)	-

Source: Information from MK and projections prepared by the Independent Financial Advisor.

6.2 Warehouses For Rent by TPARK BFTZ Company Limited

Prospect established a joint venture company with TICON Logistics Park Company Limited (which is a subsidiary of TICON Industrial Connection Public Company Limited) to develop property to construct warehouses

or factory buildings for rent, or transfer of leasehold, or sale in parts of the Bangkok Free Trade Zone. The company had registered capital of THB 1 million, 40 percent of which was held by Prospect. The joint venture company was registered under the name TPARK BFTZ Company Limited on 20 October 2016, with paid-up capital accounting for 100 percent of registered and paid-up capital.

In addition, in 2016, Prospect sold leasehold rights of the land with the size of 85 rais to TPARK BFTZ Co., Ltd, a joint venture in which Prospect holds 40 percent of the shares, to develop real estate for warehouse and factory buildings for rent, or sale of lease, sub-lease in some area of Bangkok Free Trade Zone. TPARK BFTZ had THB 350 million of registered capital.

6.2.1 Revenue from Rent

TPARK BFTZ Co., Ltd. entered into a lease agreement for a period of 10 years with SCANIA to lease factory area of 14,000 square meters. The construction is expected to be completed by March 2017 and the rent will increase by 6.50 percent in every 3 years. The Independent Financial Advisor projected that the lease will continue until the end of leasehold rights in 2039.

6.2.2 Expenses

To calculate expenses of warehouses or factory buildings for rent operated by TPARK BFTZ Co., Ltd., the Independent Financial Advisor compared previous expenses of various revenues as follows;

Rental Costs	Rental costs consist of costs mainly related to maintenance. The Independent Financial Advisor assumed the proportion of rental costs to revenue at 2.00 percent of revenue from rent in line with actual information in 2017 and the projections of the management.
Administrative Expenses	Administrative expenses consist of administrative fees. The Independent Financial Advisor assumed the proportion of administrative expenses to revenue at 16.00 percent of revenue from rent, according to actual information in 2017 and the projections of the management.

Source: Information from MK and projections prepared by the Independent Financial Advisor.

6.2.3 Capital Expenditure

Projections of capital expenditure for the construction of space for rent in which there is the remaining investment in 2018 as follows;

TPARK Capital Expenditure (THB Million)	2018F
Capital Expenditure	(75.06)

Source: Information from MK and projections prepared by the Independent Financial Advisor.

7. Discount Rate

IFA use combined operating cash flow of MK, and adjusted by Weighted Average Cost of Capital (WACC) of MK, which is calculated at 7.43%

The calculation of WACC is as follows:

$WACC$	=	$K_e \left(\frac{E}{V}\right) + K_d(1-t)\left(\frac{D}{V}\right)$	
K_e *	=	Cost of equity(calculation referred below)	= 11.67%
K_d **	=	Cost of long term interest bearing debt of MK as of 30 Sep 17	= 4.38%
t	=	Corporate income tax	= 20.00%
V	=	$D + E$ whereas D is Debt and E is Equity	= 100.00%
$\left(\frac{E}{V}\right)$	=	Equity to Value Ratio	= 48.05%
$\left(\frac{D}{V}\right)$	=	Debt to Value Ratio	= 51.95%

The calculation of K_e is as per below:

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

Whereas:

Risk Free Rate R_f	=	Risk Free Rate is calculated at 2.41% ^{1/} per year, based on 3-year average return from investment in Thai government bond 10 years. (as of 23 August 2018).
Market Expected Return R_m	=	Market Expected Return is calculated at 10.87% ^{2/} per year, based on 3-year average return from Stock Exchange of Thailand (as of 23 August 2018).
Beta β_l	=	Beta is at 1.10, calculated by comparing volatility of return of the Stock Exchange of Thailand to the return of similar businesses.
Market premium, $R_m - R_f$	=	The difference between the market expected return and risk free rate as of 23 July 2018 is at 8.45%, calculated based on 3 year average daily figures of the difference between the market expected return and risk free rate.

Source: 1/ and 2/ Bloomberg as of 23 August 2018

The Calculation of Levered Beta of MK

IFA calculate Levered Beta of MK by using the median of Unlevered Beta of listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as MK's, adjusted for debt to equity ratio to reflect the capital structure risk of MK.

Table of Average Unlevered Beta

Average Unlevered Beta is calculated by using listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as the Company's as per below:

No.	Company Name	Ticker Symbol	Unlevered Beta
1.	Areeya Property Public Company Limited	A	0.16
2.	Ananda Development Public Company Limited	ANAN	0.58
3.	AP (Thailand) Public Company Limited	AP	0.54
4.	Bangkok Land Public Company Limited	BLAND	0.90

No.	Company Name	Ticker Symbol	Unlevered Beta
5.	Baan Rock Garden Public Company Limited	BROCK	0.65
6.	Country Group Development Public Company Limited	CGD	0.39
7.	Charn Issara Development Public Company Limited	CI	0.48
8.	Eastern Star Real Estate Public Company Limited	ESTAR	0.98
9.	Everland Public Company Limited	EVER	0.55
10.	Golden Land Property Development Public Company Limited	GOLD	0.77
11.	Green Resources Public Company Limited	GREEN	1.18
12.	J.S.P. Property Public Company Limited	JSP	0.63
13.	King Wai Group (Thailand) Public Company	KWG	0.54
14.	Lalin Property Public Company Limited	LALIN	0.44
15.	Land and Houses Public Company Limited	LH	0.60
16.	L.P.N. Development Public Company Limited	LPN	0.68
17.	Major Development Public Company Limited	MJD	0.26
18.	N. C. Housing Public Company Limited	NCH	0.73
19.	Noble Development Public Company Limited	NOBLE	0.24
20.	Nusasiri Public Company Limited	NUSA	0.81
21.	Pace Development Corporation Public Company Limited	PACE	0.16
22.	Property Perfect Public Company Limited	PF	0.34
23.	Preecha Group Public Company Limited	PRECHA	0.94
24.	Prinsiri Public Company Limited	PRIN	0.60
25.	Quality Houses Public Company Limited	QH	0.63
26.	Richy Place 2002 Public Company Limited	RICHY	0.49
27.	Raimon Land Public Company Limited	RML	0.54
28.	Sammakorn Public Company Limited	SAMCO	0.68
29.	SC Asset Corporation Public Company Limited	SC	0.43
30.	Senadevelopment Public Company Limited	SENA	0.61
31.	Sansiri Public Company Limited	SIRI	0.49
32.	Supalai Public Company Limited	SPALI	0.63
33.	Thanasiri Group Public Company Limited	THANA	0.49
34.	Univentures Public Company Limited	UV	0.68
	Median		0.59

Source: Bloomberg as of 23 August 2018

$$\text{Beta } \beta_l = \beta_u(1 + (1 - t)(D/E))$$

β_u	= Average unlevered beta of the Stock Exchange of Thailand, compared to listed companies in the Stock Exchange of Thailand with revenue similar to that of MK and with assumption of no debt, calculated based on 3 year average figure as of 23 August 2018 ^{1/}	= 0.59
t	= Corporate income tax	= 20.00%

Source: Bloomberg as of 23 August 2018 and calculation from IFA

Based on the above calculation, the Levered Beta of The Stock Exchange of Thailand compared to MK's is equal to 1.10.

8. Terminal Value

For businesses having stable cash flows in the long term, such as apartments for rent, golf course, and property management, the Independent Financial Advisor assumed the present value of terminal growth rate remain constant by using a discount rate equal to WACC of MK. The Independent Financial Advisor expected that MK will be able to maintain a growth rate of free cash flow over the long term based on the assumption of growth rate at 1 percent per year after the end of the projection period in 2024.

2. Summary of Present Value of Free Cash Flow

1. Financial projection of property development for sales and services business (Excluding warehouses and factory buildings for rent)

The Independent Financial Adviser projected cash flow of property development for sale and related services of MK by using assumptions in the calculation of net cash flow of MK which is expected to receive in the future, while a discount rate is calculated from the weighted average cost of capital (WACC). Cash flow projections can be summarized as follows;

(Unit: Million Baht)

(Million Baht)	2H2018F	2019F	2020F	2021F	2022F	2023F	2024F
Property for Sales Revenue	1,755.13	3,040.00	2,283.41	1,487.29	1,228.74	559.83	400.00
Apartment for Rent Revenue	15.62	43.61	55.84	57.65	59.38	61.16	62.99
Office for Rent Revenue	7.85	3.69	8.43	8.43	8.94	8.94	8.94
Golf Course Revenue	56.59	119.66	126.95	129.50	132.10	134.70	137.36
Property Management Revenue	9.38	19.20	19.77	20.37	20.98	21.61	22.26
Total Revenue	1,844.58	3,226.16	2,494.41	1,703.24	1,450.13	786.24	631.55
Property for Sales Cost	(1,136.73)	(2,039.36)	(1,511.65)	(989.33)	(811.66)	(361.14)	(237.43)
Apartment for Rent Cost	-	-	-	-	-	-	-
Office for Rent Cost	(5.13)	(2.48)	(3.24)	(3.24)	(3.43)	(3.43)	(3.43)
Golf Course Cost	(19.89)	(42.48)	(45.06)	(45.97)	(46.89)	(47.82)	(48.76)
Property Management Cost	(4.75)	(9.69)	(9.99)	(10.28)	(10.59)	(10.91)	(11.24)
Total Cost	(1,166.50)	(2,094.01)	(1,569.94)	(1,048.83)	(872.57)	(423.30)	(300.86)
Selling and Administrative Expense	(392.88)	(667.18)	(510.11)	(438.83)	(393.42)	(315.80)	(280.42)
EBITDA	285.19	464.98	414.36	215.58	184.14	47.14	50.27
Depreciation and Amortization	(30.39)	(70.51)	(73.74)	(70.70)	(67.89)	(66.76)	(66.70)
Profit before interest and tax	254.81	394.47	340.62	144.88	116.25	(19.62)	(16.43)

(Million Baht)	2H2018F	2019F	2020F	2021F	2022F	2023F	2024F
Income tax (Excluding Interest Exp)	(50.96)	(78.89)	(68.12)	(28.98)	(23.25)	3.92	3.29
Profit after Tax	203.85	315.57	272.50	115.90	93.00	(15.69)	(13.14)
Depreciation and Amortization	30.39	70.51	73.74	70.70	67.89	66.76	66.70
Capital Expenditure	(95.56)	(126.76)	(0.37)	(7.05)	(4.71)	(3.76)	(4.51)
Change in Working Capital	(551.81)	(1,242.25)	(919.04)	(510.40)	(439.75)	(258.24)	(237.40)
Free Cash Flow to Firm (FCFF)	690.49	1,501.58	1,264.91	689.96	595.93	305.54	286.45
Year	0.36	1.36	2.36	3.36	4.36	5.36	6.36
WACC	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%
Discount Factor	0.97	0.91	0.84	0.79	0.73	0.68	0.63

Source: Information from MK and projections prepared by the Independent Financial Advisor.

Summary of Base Case of Property Development for Sales and Services business (Excluding Warehouses and Factory Buildings for Rent)

The Independent Financial Advisor evaluated the reasonableness of the valuation of fair value of MK by using discounted free cash flow to firm approach since MK has a policy to maintain debt to equity ratio in the long term. The valuation of property development for sale and related services can be summarized as follows;

Items	Value	Remark
Net present value of cash flow	4,472.32	
Terminal Value ^{1/}	901.55	
Value of Property Development for Sales and Service	5,373.87	THB Million

Source: Projections prepared by the Independent Financial Advisor

Remark: 1/ Terminal value is the sum of terminal value of apartment for rent business, golf course and asset management, which not include property for sale business and office for rent

The value of property development for sales and service business based on Discounted Cash Flow Approach is **5,373.87 million Baht**

2. Financial Projection of warehouses and factory buildings for rent business

The Independent Financial Advisor projected cash flows of warehouse and factory buildings for rent, including Prospect Development Co., Ltd. and TPARK BFTZ Co., Ltd. with the shareholding of 40 percent by using assumptions to calculate net cash flow of MK which is expected to receive in the future. Discount rate is calculated from weighted average cost of capital (WACC). Details can be summarized as follows;

(Unit: Million Baht)

	2H2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F
Revenue from Warehouse and Factory for Rent	130.78	355.26	416.84	481.77	545.91	587.71	627.82	628.25	628.78	628.87	627.53	615.20
Cost of Warehouse and Factory for Rent	(13.58)	(34.23)	(38.26)	(42.46)	(46.66)	(49.42)	(52.52)	(52.60)	(52.69)	(53.26)	(53.18)	(52.44)
Selling and Administrative Expense	(19.96)	(51.33)	(53.62)	(55.61)	(56.81)	(59.47)	(62.23)	(63.29)	(64.39)	(65.50)	(66.81)	(67.49)
EBITDA	97.24	269.71	324.96	383.71	442.44	478.82	513.07	512.36	511.70	510.11	507.54	495.27
Depreciation and Amortization	(58.09)	(146.96)	(176.99)	(207.87)	(223.67)	(223.67)	(218.79)	(215.40)	(215.32)	(215.09)	(213.84)	(211.34)
Profit before Interest and Tax	39.16	122.74	147.97	175.83	218.77	255.15	294.27	296.95	296.38	295.02	293.70	283.93
Income tax (Excluding Interest Exp)	(7.83)	(24.55)	(29.59)	(35.17)	(43.75)	(51.03)	(58.85)	(59.39)	(59.28)	(59.00)	(58.74)	(56.79)
Profit after Tax	31.32	98.20	118.38	140.67	175.01	204.12	235.42	237.56	237.10	236.02	234.96	227.14
Depreciation and Amortization	58.09	146.96	176.99	207.87	223.67	223.67	218.79	215.40	215.32	215.09	213.84	211.34
Capital Expenditure	(273.63)	(573.87)	(555.15)	(569.23)	-	-	-	-	-	-	-	-
Free Cash Flow to Firm (FCFF)	(184.22)	(328.72)	(259.78)	(220.69)	398.69	427.79	454.21	452.97	452.42	451.11	448.80	438.49
Year	0.36	1.36	2.36	3.36	4.36	5.36	6.36	7.36	8.36	9.36	10.36	11.36
WACC	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%
Discount Rate	0.97	0.91	0.84	0.79	0.73	0.68	0.63	0.59	0.55	0.51	0.48	0.44

Source: Information from MK and projections prepared by the Independent Financial Advisor.

(Unit: Million Baht)

	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F
Revenue from Warehouse and Factory for Rent	658.69	660.52	661.06	661.16	663.09	663.09	692.58	694.63	694.63	25.46
Cost of Warehouse and Factory for Rent	(55.82)	(55.95)	(56.05)	(56.63)	(56.77)	(56.84)	(59.33)	(59.47)	(59.56)	(0.51)
Selling and Administrative Expense	(70.43)	(71.93)	(73.23)	(74.55)	(76.18)	(77.58)	(80.20)	(81.96)	(83.49)	(4.19)
EBITDA	532.43	532.65	531.78	529.97	530.15	528.68	553.06	553.19	551.58	20.76
Depreciation and Amortization	(208.84)	(207.59)	(207.59)	(207.59)	(207.59)	(207.59)	(207.59)	(207.24)	(280.64)	(3.25)
Profit before Interest and Tax	323.59	325.05	324.19	322.38	322.56	321.08	345.46	345.95	270.93	17.51
Income tax (Excluding Interest Exp)	(64.72)	(65.01)	(64.84)	(64.48)	(64.51)	(64.22)	(69.09)	(69.19)	(54.19)	(3.50)
Profit after Tax	258.87	260.04	259.35	257.91	258.05	256.87	276.37	276.76	216.75	14.01
Depreciation and Amortization	208.84	207.59	207.59	207.59	207.59	207.59	207.59	207.24	280.64	3.25
Capital Expenditure	-	-	-	-	-	-	-	-	-	-
Free Cash Flow to Firm (FCFF)	467.71	467.63	466.94	465.50	465.64	464.46	483.96	484.00	497.39	17.26
Year	12.36	13.36	14.36	15.36	16.36	17.36	18.36	19.36	20.36	21.36
WACC	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%	7.43%
Discount Rate	0.41	0.38	0.36	0.33	0.31	0.29	0.27	0.25	0.23	0.22

Source: Information from MK and projections prepared by the Independent Financial Advisor.

Summary of Base Case of Warehouses and Factory Buildings for Rent Business

The Independent Financial Advisor evaluated the reasonableness of the valuation of fair value of warehouses and factory buildings for rent by using discounted free cash flow to firm approach since MK has a policy to maintain debt to equity ratio in the long term. The valuation of warehouses and factory buildings for rent can be summarized as follows;

Items	Value	Assumption
Present Value of Cash Flow ^{1/}	2,498.36	
Cash ^{2/}	2.64	As of 30 June 2018
Value of Vacant Land ^{2/}	106.88	As of 30 June 2018
Liabilities of Land ^{2/}	(17.17)	As of 30 June 2018
Liabilities ^{2/}	(80.82)	As of 30 June 2018
Warehouses and Factory for Rent	2,510.68	THB Million

Source: Information based on the financial statements of MK as of 30 June 2018, which has been reviewed by an auditor approved by the SEC Office, and projections prepared by the Independent Financial Advisor.

Notes: 1/ Present value of cash flow, which is the total value of Prospect Development Co., Ltd. and TPARK BFTZ Co., Ltd. at the shareholding proportion of 100 percent and 40 percent, respectively.
2/ Value of cash, vacant land, and liabilities is the total value of TPARK BFTZ Co., Ltd. at the shareholding proportion of 40 percent as of 30 June 2018, not including assets and liabilities of Prospect Development Co., Ltd

Valuation by discounted free cash flow to firm approach of warehouses and factory buildings for rent is equal to **2,510.68 million baht**

3. Ready-to-Sale Property and Vacant Land

The Independent Financial Advisor projected MK's revenues from ready-to-sale property in part of the property projects that were completely constructed but not in the selling plan of MK, and land held for development, as well as others in a total amount of 56 projects, including detached single house, town home, and vacant land, representing cash flow from the sales of property of THB 6,370.07 million. Cash flow from the sale of the aforementioned property calculated from evaluated value appraised by the Independent Appraisers with the corporate income tax rate of 20 percent. Details are as follows;

A. Real estate held for development

MK has real estate projects that were completely constructed but not in the selling plan of MK in a total amount of 31 projects. Since the aforementioned projects have not been reappraised by the MK, the Independent Financial Advisor projected MK's cash flow from the sale of the aforementioned assets equal to the book value of the assets.

B. Land held for development and others

MK has real estate projects under development and vacant land for sale and others in a total amount of 25 projects in which MK has reappraised their prices. Therefore, the Independent Financial Advisor projected MK's cash flow from the sale of these assets equal to the appraised prices of the Independent Appraisers.

Items	Amount (THB Million)
A. Property Projects Under Development in the amount of 31 projects	414.31
B. Land Held For Development and Others in the amount of 25 projects	5,745.56
Total Assets (A+B)	6,159.88
<u>Less</u> Book Value of Assets ^{1/}	4,576.58
Incremental Value from the Valuation of Assets	1,583.30
<u>Less</u> Income from the sales of Assets-Net ^{2/}	(316.66)
Net Cash Flow from Sales of Ready-to-Sale Projects and Vacant Land	5,843.22

Notes: 1/ Book value of assets as of 30 June 2018.

2/ The Independent Financial Advisor projected the income taxes that would occur as a result of the increase in appraised property at 20 percent of profit from the sale of land before income taxes.

Valuation by book value approach or adjusted book value approach of property projects for sale and vacant land is equal to **5,843.22 million baht**

4. Long-term Investments in other companies

In addition to the core business of MK mentioned above, MK also has investments in other companies, but not being involved in the management, such as Durafloor Co., Ltd., Thai Advance Panel Co., Ltd., Sinnsuk Properties Co., Ltd., Supalai Northeast Co., Ltd., Samukkee Cement Co., Ltd., Subnorasing Co., Ltd.

Only Durafloor Co., Ltd. ("Durafloor") that has good operating performance and pays dividends on a regular basis. Historical dividends payments are as follows;

	2015	2016	2017
Dividends Payment (THB Million)	5.50	4.95	6.60
Dividend Payout Ratio (%)	60%	36%	42%

The Independent Financial Advisor has an opinion that dividend discount model should be used in valuation of Durafloor with the assumption that MK will receive a fixed amount of dividend of THB 0.89 million per year throughout the projection period, based on dividends of floor of Durafloor in 2017. The valuation of Durafloor can be summarized as follows;

Item	Amount	Note
Present Value of Dividends Received	3.59	
Terminal Value ^{1/}	5.75	
Value of Durafloor Co., Ltd.	9.34	THB Million

Source: projections prepared by the Independent Financial Advisor.

Valuation by dividend discount model of Durafloor Co., Ltd. is equal to THB 9.34 million.

However, in addition to Durafloor Co., Ltd., other companies mentioned above have been partially impaired due to continuous losses or discontinuation of operations. According to the interviews with the management of MK, the Independent Financial Advisor has been confirmed that MK has not intended to increase capital or have any plans for these companies whatsoever. Therefore, the Independent Financial Advisor did not include these companies to the valuation of MK.

3. Summary of Calculation of MK's Value by Sum-of-the-Part Valuation

The valuation of MK engaged in property development for sale and related services, as well as warehouses and factory buildings for rent, which are currently operating and having cash flow. The Independent Financial Advisor has an opinion that the valuation can be based on projections of cash flow of the aforementioned businesses, thus discounted cash flow approach can be used in the valuation of fair value.

However, for property projects that were completely constructed but not in the selling plan of MK and land held for development which is currently under feasibility study, the Independent Financial Advisor has an opinion that development of the projects and projections of future cash flows are uncertain. Therefore, we will use appraised value of such properties by the Independent Appraisers as a fair value (Adjusted Book Value: ABV). In respect of the aforementioned projects or vacant land, they have not been yet appraised by the Independent Appraisers or the last appraisal date is longer than 1 year which cannot be used as a reference. The Independent Financial Advisor has an opinion that book value (BV) should be used as a fair price in this case.

The valuation of MK by Sum-of-the-Part Valuation is the valuation of the MK by taking into account the ability to generate future cash flows of each business or asset separately in order to reflect MK's value based on fundamental factors of each business or asset. The valuation results can be summarized as follows;

Fair Value	THB Million
Property Development for Sales and Services	5,373.87
Warehouses and Factory Buildings for Rent	2,510.68
Ready-to-sale Property and Vacant Land	5,843.22
Investments	9.34
Interest-bearing debt ^{1/}	(7,039.63)
Cash ^{1/}	964.99
Total Fair Value	7,662.47
Number of shares	992.01
Share Price (THB per share)	7.72

Source: Projections prepared by the Independent Financial Advisor and information based on the financial statements of MK as of 30 June 2018, which has been reviewed by an auditor approved by the SEC Office.

Remark: Interest-bearing liabilities and cash as of 30 June 2018.

Attachment 4

Valuation by Discounted Cash Flow Approach

of

Neo Corporate Co., Ltd. ("NEO")

1. Assumption of Discounted Cash Flow Approach

The Independent Financial Advisor has prepared financial projections of the Company from received information, as well as interviews with the management of the Company based on a conservative basis in order to obtain key assumptions. Neo is a Thai manufacturer of household and personal care products under various brands such as Eversence, Tros, Benice etc.

1.1 Revenue

Neo's revenue is mainly from selling household and personal care products. The growth of revenues in 2015 2016 and 2017 is 0.9%, -8.4%, and 9.3% respectively; however, Neo has finished factory construction at Lumlukka district and currently is preparing to install the system to expand capacity. The factory is expected to start the production process during beginning of 2019. Independent Financial Advisor thus projected the growth of revenues to be 8% during 2018 – 2019, 5% during 2020-2021, and 3% in 2022 as follows:

Revenue (Million Baht)	2017A	2018F	2019F	2020F	2021F	2022F
Sales Revenues	5,061.72	5,466.66	5,903.99	6,199.19	6,509.15	6,704.43
Growth Rate		8.0%	8.0%	5.0%	5.0%	3.0%

Source: Information from FNS and projections prepared by the Independent Financial Advisor.

Cost of Goods Sold

Cost of Goods Sold (Million Baht)	2017A	2018F	2019F	2020F	2021F	2022F
Cost of Goods Sold	(2,917.71)	(3,172.43)	(3,426.22)	(3,597.53)	(3,777.41)	(3,890.73)
Cost of Goods Sold Margin		-58.0%	-58.0%	-58.0%	-58.0%	-58.0%

Source: Information from FNS and projections prepared by the Independent Financial Advisor.

IFA projected costs of goods sold based on cost of goods sold margin during 1st half of 2018 because Neo promoted more sales at discount, resulting in higher cost of goods sold margin compared to other periods. IFA, with conservative basis, projected by using most recent costs of goods sold margin.

1.2 Expenses

IFA forecasted expenses based on comparison of historical expenses as follows:

Selling Expense	Based on 1H2018 ratio of selling expense to sales revenues which is 24.90% and keep ratio constant throughout the forecast period
Administrative Expense	Most part of Administrative expense is logistic and outsourcing expense which is varied related to sales revenues. The forecast based on 1H2018 ratio of administrative expense to sales revenue which is 13.90% and keep ratio constant throughout the forecast period

Summary of Operating Expenses

Expenses (Million Baht)	2017A	2018F	2019F	2020F	2021F	2022F
Selling Expense	(1,012.86)	(1,358.72)	(1,467.41)	(1,540.78)	(1,617.82)	(1,666.36)
<i>Selling Expense Margin %</i>	-24.9%	-24.9%	-24.9%	-24.9%	-24.9%	-24.9%
Administrative Expense	(710.45)	(764.37)	(828.67)	(870.10)	(913.60)	(941.01)
<i>Administrative Expense Margin</i>	-13.9%	-13.9%	-13.9%	-13.9%	-13.9%	-13.9%
Total	(1,723.31)	(2,123.09)	(2,296.08)	(2,410.88)	(2,531.43)	(2,607.37)

Source: Information from FNS and projections prepared by the Independent Financial Advisor.

1.3 Finance Cost

Interest Expense	IFA assumed the remaining debt outstanding to be maintained throughout the forecast period which is 1,171.30 million baht with 4% of effective interest rate
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Source: Information from FNS

Summary of Finance Cost

Finance Cost (Million Baht)	2017A	2018F	2019F	2020F	2021F	2022F
Interest Expense	(44.83)	(30.35)	(47.17)	(47.17)	(47.17)	(47.17)

1.4 Capital Expenditure

Since NEO invested for factory construction at Lumlukka District with 770 million baht of 2018 capital expenditure, the amount of 488 million baht has been spent during 1st half of 2018 already and NEO plan to spend another 282 million baht during 2nd half of 2018. After factory construction's large expenditure, capital expenditure will return to normal level at 60 million baht per year

Capital Expenditure (Million Baht)	2018F	2019F	2020F	2021F	2022F
Capital Expenditure	(770.00)	(60.00)	(60.00)	(60.00)	(60.00)

Source: Information from FNS and projections prepared by the Independent Financial Advisor.

1.5 Working Capital

IFA assumed 83 days of Account Receivable day on hand, 48 days of inventory day on hand, and 115 days of account payable day on hand, based on 2017 day on hand

Working Capital (Million Baht)	2018F	2019F	2020F	2021F	2022F
Account Receivable	1,245.49	1,345.13	1,412.39	1,483.00	1,527.49
Inventory	419.40	452.95	475.60	499.38	514.36
Account Payable	(1,343.98)	(1,451.49)	(1,524.07)	(1,600.27)	(1,648.28)
Working Capital	320.91	346.58	363.91	382.11	393.57

1.6 Discount Rate

IFA use combined operating cash flow of NEO, and adjusted by Cost of Equity (K_e) of NEO, which is calculated at 13.80%

The calculation of K_e is as per below:

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

R_f	=	Risk Free Rate is calculated at 2.41% ^{1/} per year, based on 3-year average return from investment in Thai government bond 10 years. (as of 23 August 2018).
R_m	=	Market Expected Return is calculated at 10.87% ^{2/} per year, based on 3-year average return from Stock Exchange of Thailand (as of 23 August 2018).
β_l	=	Beta is at 1.35, calculated by comparing volatility of return of the Stock Exchange of Thailand to the return of similar businesses.
Market premium, $R_m - R_f$	=	The difference between the market expected return and risk free rate as of 23 July 2018 is at 8.45%, calculated based on 3 year average daily figures of the difference between the market expected return and risk free rate.

Source: 1/ and 2/ Bloomberg as of 23 August 2018

The Calculation of Levered Beta of NEO

IFA calculate Levered Beta of NEO by using the median of Unlevered Beta of listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as NEO's, adjusted for debt to equity ratio to reflect the capital structure risk of NEO.

Table of Average Unlevered Beta

Average Unlevered Beta is calculated by using listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as the Company's as per below:

No.	Company name	Code	Unlevered Beta
1.	Asian Phytoceuticals Public Company Limited	APCO	1.07

No.	Company name	Code	Unlevered Beta
2.	Jack Chia Industries (Thailand) Public Company Limited	JCT	0.56
3.	O.C.C Public Company Limited	OCC	0.55
	Median		0.56

Source: Bloomberg as of 23 August 2018

$$\text{Beta } \beta_l = \beta_u(1 + (1 - t)(D/E))$$

β_u	=	Average unlevered beta of the Stock Exchange of Thailand, compared to listed companies in the Stock Exchange of Thailand with revenue similar to that of MK and with assumption of no debt, calculated based on 3 year average figure as of 23 August 2018 ¹⁷	=	0.56
t	=	Corporate income tax	=	20.00%

Source: Bloomberg as of 23 August 2018 and calculation from IFA

Based on the above calculation, the Levered Beta of The Stock Exchange of Thailand compared to NEO's is equal to 1.35

1.7 Terminal Value

IFA determined the growth by assuming discount rate equal to Cost of Equity and expected that NEO will be able to maintain a growth rate of free cash flow over the long term based on the assumption of growth rate at 3 percent per year, based in historical 10-year average of Thailand Gross Domestic Product.

1.8 Summary of Present Value of Free Cash Flow

The Independent Financial Adviser projected cash flow of NEO by using assumptions in the calculation of net cash flow of NEO which is expected to receive in the future, while a discount rate is calculated from cost of equity (K_e). Cash flow projections can be summarized as follows;

(Million Baht)	หน่วย	2H2018F	2019F	2020F	2021F	2022F
Sales Revenue	THB Million	2,831.71	5,903.99	6,199.19	6,509.15	6,704.43
Cost of goods sole	THB Million	(1,643.30)	(3,426.22)	(3,597.53)	(3,777.41)	(3,890.73)
SG&A	THB Million	(1,101.26)	(2,296.08)	(2,410.88)	(2,531.43)	(2,607.37)
Other revenue	THB Million	5.68	11.85	12.44	13.06	13.46
EBIT	THB Million	92.83	193.54	203.22	213.38	219.78
Interest Rate	THB Million	(15.78)	(47.17)	(47.17)	(47.17)	(47.17)
Income Tax	THB Million	(15.41)	(29.27)	(31.21)	(33.24)	(34.52)
EBT	THB Million	61.64	117.10	124.84	132.97	138.09
Depreciation and Amortization	THB Million	149.08	247.23	259.23	271.23	283.23
Capital Expenditure	THB Million	(282.00)	(60.00)	(60.00)	(60.00)	(60.00)
Change in Working Capital	THB Million	(9.01)	(25.67)	(17.33)	(18.20)	(11.46)

(Million Baht)	หน่วย	2H2018F	2019F	2020F	2021F	2022F
Net Borrowing	THB Million	-	-	-	-	-
Free Cash Flow to Equity	THB Million	(80.30)	278.65	306.74	326.00	349.85
Year		0.36	1.36	2.36	3.36	4.36
K_e		13.80%	13.80%	13.80%	13.80%	13.80%
Discount Factor		0.95	0.84	0.74	0.65	0.57

Source: Information from MK and projections prepared by the Independent Financial Advisor.

Summary of Base Case of NEO

The Independent Financial Advisor evaluated the reasonableness of the valuation of fair value of NEO by using discounted free cash flow to equity approach. The valuation of NEO can be summarized as follows;

Item	Value	Remark
Net present value of cash flow	793.63	
Terminal Value	1,898.54	
Present Value of Cash Flow	2,692.17	THB Million
Excess Cash	220.84	
Value of NEO	2,913.01	THB Million
Discount for Lack of Marketability	20.00%	Liquidity Discount ¹
The Value of NEO after discount	2,330.41	THB Million

Source: Projections prepared by the Independent Financial Advisor

Remark: 1/ Discount for liquidity risk which stems from the risk of unable to trade immediately with favorable volume and price

The value of NEO based on Discounted Cash Flow Approach is **2,330.41 million Baht**

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Attachment 5

Valuation by Discounted Cash Flow Approach

of

FB Foodservice (2017) Co., Ltd (“FB”)

1. Assumption of Discounted Cash Flow Approach

FB Foodservice (2017) Co., Ltd (FB) is a Bangkok-based food service Company with investment value of 20.6 million baht for 6% stake under FC. FB also invested by Sojitz Corporation a general trading company based in Tokyo, Japan. It is engaged in a wide range of businesses globally, including buying, selling, importing, and exporting goods, manufacturing and selling products, providing services, and planning and coordinating projects, in Japan and overseas as second main shareholder.

The Independent Financial Advisor has prepared financial projections of the Company from received information, as well as interviews with the management of the Company based on a conservative basis in order to obtain key assumptions.

1.1 Revenue

- (1) Revenue from Hotel Restaurant and Café (HoReCa) where the management sees growing opportunity and demands which can be realized after completion of central kitchen in the second half of 2018. IFA estimate second half of 2018 revenue to be in line with first half and continue growth in 2019-2020 at 15% and 12%, with 5% from year 2021 onward.
- (2) Revenue from retail customers which may not realize as much contribution compared to HoReCa, IFA estimate second half of 2018 revenue to be in line with first half and continue growth of 3% per annum based on average increase of Gross Domestic Product over the period of 10 years.

Revenue (Million Baht)	2017A	2018F	2019F	2020F	2021F	2022F
HoReCa	491.34	580.42	667.48	747.58	784.96	824.20
Retail Customers	831.29	762.59	785.47	809.04	833.31	858.31
Total Revenue	1,322.63	1,343.01	1,452.95	1,556.61	1,618.26	1,682.51

Source: Information from FNS and projections prepared by the Independent Financial Advisor.

- (3) Other Income, IFA estimate second half of 2018 revenue to be in line with first half and maintain as recurring other income throughout.

FB (Million Baht)	2017A	2018F	2019F	2020F	2021F	2022F
Other Income	49.65	19.32	19.32	19.32	19.32	19.32

Source: Information from FNS and projections prepared by the Independent Financial Advisor.

1.2 Operating Cost

Independent Financial Advisor estimates operating expense base on historical information of the company and management interview as follows:

HoReCa Cost	As of 2017 HoReCa cost is around 89.71% of HoReCa revenue; however management believes that the contribution of central kitchen will also contribute in operational efficiency and hence reduce cost in processing of products for HoReCa segment. IFA estimates reduction in cost of 2% per year to 81.84% in year 2022.
Retail Customer Cost	As of 2017 retail customers cost is around 89.71% of retail customers' revenue however management believes that the contribution of central kitchen will also contribute in operational efficiency and hence reduce cost in processing of products for retail customers segment but in a lesser product mix compare to HoReCa. IFA estimates reduction in cost of 0.5% per year to 87.53% in year 2022.

Source: Information of the Company and Managements, projections prepared by the Independent Financial Advisor

Operating Cost of FB Summary

FB (Million Baht)	2017A	2018F	2019F	2020F	2021F	2022F
HoReCa	(440.79)	(521.47)	(586.34)	(641.75)	(658.14)	(674.56)
Cost per revenue of HoReCa %	-89.71%	-89.8%	-87.8%	-85.8%	-83.8%	-81.84%
Retail Customers	(744.62)	(678.95)	(699.32)	(716.26)	(733.58)	(751.29)
Cost per revenue of Retail Customers %	-89.57%	-89.0%	-89.0%	-88.5%	-88.0%	-87.53%
Total Operating Cost (Million Baht)	(1,200.70)	(1,200.42)	(1,285.66)	(1,358.01)	(1,391.72)	(1,425.85)
Total Operating Cost to Total Revenue %	-90.8%	-89.4%	-88.5%	-87.2%	-86.0%	-84.7%

Source: Information of the Company and Managements, projections prepared by the Independent Financial Advisor

1.3 Expense

Independent Financial Advisor estimates operating expense base on historical information of the company and management interview as follows:

Selling Expense	As of 2017 selling expense is around 3.57% of total revenue; IFA estimates the ratio to maintain throughout.
Transportation Expense	Transportation expense in 2017 is around 1.95% of total revenue; management believes that the central kitchen and increase in demand of existing customers will help improve efficiency of transportation expense; hence IFA estimates transportation expense to reduce by 0.05% per year where in 2022 transportation expense will be 1.88% of total revenue.
Administrative Expenses	Administrative expense is around 8.31% of total revenue; IFA estimates the ratio to maintain throughout.
Depreciation	IFA estimates depreciation expense to be around 0.8% of total revenue which is in line with 2017 of 0.75% and first half of 2018 of 0.8%

Expense of FB Summary

FB (Million Baht)	2017A	2018F	2019F	2020F	2021F	2022F
Selling Expense	(47.26)	(46.99)	(51.92)	(55.63)	(57.83)	(60.12)
Selling Expense to Total Revenue %	-3.57%	-3.50%	-3.57%	-3.57%	-3.57%	-3.57%
Transportation Expense	(26.16)	(26.22)	(28.37)	(29.62)	(29.98)	(30.33)
Transportation Expense to Total Revenue %	-1.98%	-1.95%	-1.95%	-1.90%	-1.85%	-1.80%
Administrative Expenses	(109.95)	(122.64)	(120.79)	(129.41)	(134.53)	(139.87)
Administrative Expense to Total Revenue %	-8.31%	-9.13%	-8.31%	-8.31%	-8.31%	-8.31%
Depreciation	(9.96)	(10.79)	(11.69)	(12.52)	(13.02)	(13.53)
Depreciation Expense to Total Revenue %	-0.75%	-0.80%	-0.80%	-0.80%	-0.80%	-0.80%
Total Expense	(193.34)	(206.64)	(212.77)	(227.17)	(235.36)	(243.86)
Total Expense to Total Revenue %	-14.62%	-15.39%	-14.67%	-14.67%	-14.67%	-14.67%

Source: Information of the Company and Managements, projections prepared by the Independent Financial Advisor

1.4 Interest Expense

Interest Expense	Includes Financial Lease of 6.85 million baht as of 30 June 2018 and interest from short-term loan as management expects to leverage its short-term loan from time to time.
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Summary of Finance Cost

FB (Million Baht)	2017A	2018F	2019F	2020F	2021F	2022F
Interest Expense	(8.53)	(3.95)	(4.32)	(3.83)	(3.83)	(3.83)
Interest Expense to Total Revenue %	-0.64%	-0.29%	-0.30%	-0.25%	-0.24%	-0.23%

1.5 Capital Expenditure

As FB will complete its central kitchen in 2nd half of 2018, management expects minor on-going investments relates to central kitchen as per table below.

FB (Million Baht)	2018F	2019F	2020F	2021F	2022F
Capital Expenditure	(23.40)	(11.63)	-	-	-

Source: Information of the Company and Managements

1.6 Working Capital

Independent Financial Advisor account receivables of 67.68 days base on 3 years average (including FB previous operation) between 63.83-69.40 days account receivables. Inventory is estimates at 20.34 days base on 3 years average (including FB previous operation) between 11.42 – 30.70 days inventory. Account Payable is estimates at 57.22 days base first half of 2018 which is more than 2017 of 37.38 days.

FB (Million Baht)	2018F	2019F	2020F	2021F	2022F
Account Receivables	286.38	256.28	282.51	294.72	305.37
Inventory	47.66	74.55	68.75	82.61	72.51
Account Payable	(162.59)	(189.10)	(201.53)	(212.87)	(218.16)
Total Working Capital	169.95	33.33	52.92	39.93	55.40

1.7 Discount Rate

The Independent Financial Advisor use combined operating cash flow of the Company, and adjusted by Cost of Equity (Ke) of the Company, which is calculated at 6.87%

The calculation of Ke is as follows:

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

Whereas:

Risk Free Rate R_f	=	Risk Free Rate is calculated at 2.41% ^{1/} per year, based on 3-year average return from investment in Thai government bond 10 years. (as of 23 August 2018) ^{1/}
Market Expected Return R_m	=	Risk Free Rate is calculated at 10.87% ^{2/} per year, based on 3-year average return

	as of 23 August 2018
Beta β_l	= Beta is at 0.53, calculated by comparing volatility of return of the Stock Exchange of Thailand to the return of the Company's share
Market premium, $R_m - R_f$	= The difference between the market expected return and risk free rate as of 23 August 2018 is at 8.45%, calculated based on 3 year average daily figures of the difference between the market expected return and risk free rate

Source: 1/ and2/ Bloomberg as of 12 July 2018

The Calculation of Levered Beta of FB

IFA calculate Levered Beta of the Company by using the median of Unlevered Beta of listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as the Company's, adjusted for debt to equity ratio to reflect the capital structure risk of FB.

Table of Average Unlevered Beta

Average Unlevered Beta is calculated by using listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as the FB's as per below

No.	Company Name	Ticker Symbol	Unlevered Beta
1.	SEAFRESH INDUSTRY PUBLIC COMPANY LIMITED	CFRESH	0.37
2.	CHIANGMAI FROZEN FOODS PUBLIC COMPANY LIMITED	CM	0.54
3.	CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED	CPF	0.55
4.	HAAD THIP PUBLIC COMPANY LIMITED	HTC	0.56
5.	ICHITAN GROUP PUBLIC COMPANY LIMITED	ICHI	0.88
6.	MALEE GROUP PUBLIC COMPANY LIMITED	MALEE	0.40
7.	OISHI GROUP PUBLIC COMPANY LIMITED	OISHI	0.60
8.	S & P SYNDICATE PUBLIC COMPANY LIMITED	SNP	0.43
9.	SURAPON FOODS PUBLIC COMPANY LIMITED	SSF	0.42
10.	TROPICAL CANNING (THAILAND) PUBLIC COMPANY LIMITED	TC	0.52
11.	THAI UNION GROUP PUBLIC COMPANY LIMITED	TU	0.35
	Median		0.52

Source: Bloomberg as of 23 August 2018

$$\text{Beta } \beta_l = \beta_u(1 + (1 - t)(D/E))$$

β_u	= Average unlevered beta of the Stock Exchange of Thailand, compared to listed companies in the Stock Exchange of Thailand with revenue similar to that of the Company and with assumption of no debt, calculated based on 3 year average figure as of 23 August 2018 ^{1/}	= 0.52
t	= Corporate income tax	= ร้อยละ 20.00

Source: Bloomberg as of 23 August 2018 and calculation from IFA

Based on the above calculation, the Levered Beta of the Stock Exchange of Thailand compared to the Company's is equal 0.53

1.8 Terminal Value

For businesses having stable cash flows in the long term, the Independent Financial Advisor assumed the present value of terminal value by using a discount rate equal to Key of the Target Company. The Independent Financial Advisor expected that FB will be able to maintain a growth rate of free cash flow over the long term based on the assumption of growth rate of 3% per annum base on average increase of Gross Domestic Product over the period of 10 years.

1.9 Present Value of Cash Flow of FB

The Independent Financial Adviser projected cash flow of FB by using assumptions in the calculation of net cash flow to equity which is expected to receive in the future, while, a discount rate is calculated from the cost of equity (Ke). Cash flow projections can be summarized as follows;

(Million Baht)	Unit	2018F	2019F	2020F	2021F	2022F
Revenue	Million Baht	674.83	1,452.95	1,556.61	1,618.26	1,682.51
Operating Cost	Million Baht	(603.18)	(1,285.66)	(1,358.01)	(1,391.72)	(1,425.85)
Expense	Million Baht	(98.73)	(212.77)	(227.17)	(235.36)	(243.86)
Other Income	Million Baht	6.19	19.32	19.32	19.32	19.32
Profit Before Interest and Tax	Million Baht	(20.89)	(26.16)	(9.24)	10.51	32.12
Interest Expense	Million Baht	(1.97)	(4.32)	(3.83)	(3.83)	(3.83)
Tax	Million Baht	-	-	-	(2.10)	(6.42)
Profit After Tax	Million Baht	(22.86)	(30.48)	(13.07)	4.58	21.86
Depreciation and Amortization	Million Baht	5.41	11.69	12.52	13.02	13.53
Capital Expenditure	Million Baht	(6.44)	(11.63)	-	-	-
Increasing (Decreasing) In Working Capital	Million Baht	(20.22)	(19.59)	12.99	(15.47)	6.08
Net Borrowing	Million Baht	-	-	-	-	-
Free Cash Flow to Equity (FCFE)	Million Baht	(44.11)	(50.02)	12.44	2.13	41.48
Year		0.36	1.36	2.36	3.36	4.36
WACC		6.87%	6.87%	6.87%	6.87%	6.87%
Discount Factor		0.98	0.92	0.86	0.80	0.75

Source: Information of the Company and projections prepared by the Independent Financial Advisor

Summary of Base Case of FB

The Independent Financial Advisor evaluated the reasonableness of the valuation of fair value of FB by using discounted free cash flow to equity approach. The valuation of FB can be summarized as follows;

Item	Value	Assumption
Present Value of Cash Flow	(45.47)	
Terminal Value ^{1/}	827.03	
Value of Free Cash Flow	781.57	Million Baht
Cash	40.70	
Equity Value of FB	822.26	Million Baht
Liquidity Discount ^{1/}	20.00%	
Equity Value of FB after Discount	657.81	Million Baht

Source: Projections prepared by the Independent Financial Advisor

Note: Discount from Liquidity risk which is risk of liquidation in private firm which can be difficult when compare to asset with secondary market such as company that listed in Stock Exchange of Thailand

The value of FB on discount cash flow approach is **657.81 Million Baht**

