



F I N A N S A
Asian Merchant Banking

No. For.24/2020

September 28, 2020

Subject: Acquisition of shares of M.K. Real Estate Development Plc. and Determination of date of the Extraordinary General Meeting of Shareholders No.1/2020

To: President,
The Stock Exchange of Thailand

Enclosure: 1. Information Memorandum on the investments in shares of M.K. Real Estate Development Plc.

The Board of Directors Meeting of Finansa Public Company Limited (the "Company") No. 7/2020 held on September 25, 2020 at 48/48 TISCO Tower, North Sathorn Road, Bangkok resolved as follows:

1. Approved to propose to the Shareholders' Meeting of the Company to consider and approve the acquisition of the 892,578,048 ordinary shares of M.K. Real Estate Development Public Company Limited ("MK") which are held by all other shareholders at the price per share of not exceeding 3.10 Baht, totaling 2,766,991,949 Baht. The detail of the acquisition is as follows:

Current No. of total paid-up shares of MK	:	1,091,205,066 shares
Current No. of shares held by the Company	:	205,127,018 shares
Percentage of current shareholding of the Company	:	18.80% of total number of current voting rights of MK
No. of shares the Company wishes to acquire addition to the current no. of shares held by the Company	:	Not exceeding 892,578,048 shares, which comprised of : (1) 886,078,048 shares, which is the difference between the current number of total paid-up shares of MK and the number of shares held by the Company before an acquisition of the additional shares and (2) 6,500,000 shares, which is the number of paid-up shares of MK that may be increased resulting from the exercise of the Warrant of MK under the Employee Stock Option Plan for the Directors, Executives, and Employees of MK and its subsidiaries No.1 ⁽¹⁾

FINANSA PUBLIC COMPANY LIMITED

Registered No. 0107545000080

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Percentage of shareholding after an acquisition of additional shares, if all other shareholders accept the Tender Offer.	: 100.00% of total voting rights of MK (In case the Company holds 100.00% of total voting rights of MK, the Company will comply with the relevant rules and regulations, including free-float requirement)
Acquisition price per share	: Not exceeding THB 3.10 per share
Period to acquire shares	: Within 2020
Method to acquire shares	: Tender Offer
Total proceeds for the acquisition of shares	: Not exceeding 2,766.99 million baht
Source of funds	: Operating cash flow of the Company and/or loan from financial institution(s)

Note: (1) MK had issued ordinary shares to reserve for the exercise right of warrants to purchase MK's ordinary shares owned by Directors, Executives, and Employees of MK and its subsidiaries under Employee Stock Option Plan No.1 (MK-WA) ("Warrant"). As of 16 September 2020, the number of unexercised Warrant equaled to 26,000,000 units. The next exercise date is scheduled to be on 15 December 2020 with the number of warrants that can be exercised equaling to 6,500,000 units. Therefore, there may be an increase in the number of paid-up shares of 6,500,000 shares that could be tendered in the tender offer.

The share acquisition is considered as a purchasing or taking a transfer of the undertaking of any other company to be owned by the Company in accordance with the Section 107 (2) (Khor) of the Public Limited Companies Act B.E. 2535 (1992) and is considered as the acquisition of assets in accordance with the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 Re: Rules on Entering into Material Transaction Deemed as Acquisition or Disposal of Asset and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004) (collectively referred to as the "Acquisition or Disposal of Assets Regulations"). According to the Acquisition or Disposal of Assets Regulations, the Company has to calculate the transaction size to consider the required duty to be implemented. Based on the required calculation of the total transaction size and the financial statements as of 30 June 2020, the highest value of the transaction size is derived from the net tangible asset value criteria which is equal to 208.83 percent, and after taking into consideration of the acquisition or disposal of asset transaction during past 6 months, the highest aggregate value of the transaction size is derived from the net tangible asset value criteria which is equal to 208.83 percent. Therefore, the transaction size is considered as the acquisition of assets, Class 1 Transaction, a transaction between a listed company or a subsidiary and another listed company or subsidiary of another listed company with the transaction size of 50 percent or more. As such, the Company has to disclose the information to the Stock Exchange of Thailand ("SET") (Please referred to Attachment 1) and is required to convene a Shareholders'

Meeting to obtain shareholders' approval to enter into the transaction with the resolution to be passed with at least three-fourths of the total votes of the shareholders attending the meeting and eligible to vote, excluding votes of shareholders who are interested persons. With respect to the Shareholders' Meeting, the Company is required to appoint an independent financial advisor to provide the opinion of the acquisition of assets which will be sent to shareholders together with additional information disclosure by the Company and the invitation letter for the Shareholders' Meeting.

In addition, the notification of the resolutions made at Board of Directors' meeting regarding to the detail of the acquisition of the ordinary shares of MK is considered as a public announcement of a business takeover in accordance with the Notification of the Capital Market Supervisory Board No. TorChor 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers B.E. 2554 (2011) ("Business Takeover Regulation"). Therefore, the Company has a duty to make a tender offer for all securities of MK based on Business Takeover Regulation. However, since, the acquisition of the ordinary shares of MK is required to obtain a shareholder's approval before carrying out the transaction, such shareholder's approval is considered as the condition precedent. Therefore, the Company is not required to make a tender offer for all securities of MK until the aforementioned condition is fulfilled. Then the company has a duty to make a tender offer at the following day after condition is fulfilled, which is the next business day after obtaining shareholders' approval to acquire of the ordinary shares of MK. In addition, after the tender offer, the Company has no plan to delist MK from the SET.

In addition, the Board of Directors Meeting of the Company has also approved the authorization of Mr. Vorasit Pokachaiyapat or person(s) authorized by Mr. Vorasit Pokachaiyapat, to have the authorizations to consider and decide on conditions and details related to the Tender Offer for shares of MK, the arrangement on the source of funds, negotiate, make agreements, and sign the documents and contracts related to the mentioned actions, disclose the information to the Securities and Exchange Commission ("SEC"), the SET, and other relevant organizations, contact and submit any documents in relation to relevant processes such as Tender Offer Documents, and sign or certify documents or copy documents to the SEC, the SET, and other relevant organizations.

2. Approved the convening of the Extraordinary General Meeting of Shareholders No.1/2020 on November 10, 2020 at 14.30 P.M. at Crowne Plaza Bangkok Lumpini Park Hotel, Crowne 1 - 3 Room, Level 21, No. 952 Rama 4 Road, Bangkok, to consider the following agenda;

Agenda 1 To consider and certify the minutes of the 2020 Annual General Meeting of Shareholders held on April 28, 2020.

Agenda 2 To approve the investments in shares of M.K. Real Estate Development Plc.

Agenda 3 To acknowledge the Payment of Interim Dividend.

Agenda 4 To consider other matters (if any).

3. Approved to determine October 14, 2020 as the Record date to determine the names of shareholders entitled to attend the Extraordinary General Meeting of Shareholders No.1/2020.
4. Approved to appoint I V Global Securities Plc. as an independent financial advisor to provide the opinion for the acquisition of shares of M.K. Real Estate Development Plc.

Please be informed accordingly.

Yours sincerely,
Finansa Public Company Limited

(Mr. Vorasit Pokachaiyapat)
Managing Director

Information Memorandum of Finansa Public Company Limited
Re: Acquisition of shares of M.K. Real Estate Development Plc.

The Board of Directors' meeting of Finansa Public Company Limited (the "Company") No. 7/2020 dated September 25, 2020 has approved to proposed to the Extraordinary General Meeting of Shareholders to consider and approve the investments in M.K. Real Estate Development Plc. ("MK") by purchasing not exceeding 892,578,048 MK's shares from the rest shareholders other than itself at the price of not exceeding 3.10 Baht per share, totaling not exceeding 2,766,991,949 Baht. Subject to the Condition Precedent in receiving the approval from the Company's shareholders meeting to acquire MK's shares, the share acquisition shall be made through the Tender Offer in compliance with the Notification of the Capital Market Supervisory Board No. Thor.Jor. 12/2554: Re: Rules, Conditions, and Procedures for the Acquisition of Securities for Business Takeover (as amended).

In this regard, the share acquisition is considered as the purchase or acceptance of transfer of the business of other companies by the Company in accordance with the Section 107 (2) (Khor) of the Public Limited Companies Act B.E. 2535 (1992) and is considered as the acquisition of assets in accordance with the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 Re: Rules on Entering into Material Transaction Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (collectively referred to as the "Notification of the Acquisition or Disposition"). According to the Acquisition or Disposal of Assets Regulations, the highest value of the transaction size based on the financial statements as of June 30, 2020 is 208.83 percent derived from the net tangible asset value criteria. After taking into consideration of the acquisition or disposal of asset transactions during past 6 months, the highest value of aggregated transaction size is equal to 208.83 percent derived from the net tangible asset value criteria. Therefore, this transaction is considered the acquisition of assets, Class 1 Transaction, a transaction between a listed company or a subsidiary and another listed company or subsidiary of another listed company with the transaction size of 50 percent or more. As a result, the Company has the obligations to disclose the information memorandum to the Stock Exchange of Thailand ("SET") and is required to convene a Shareholders' Meeting to obtain shareholders' approval to enter into the transaction with the resolution to be passed with at least three-fourths of the total votes of the shareholders attending the meeting and eligible to vote, excluding votes of interested shareholders. With respect to the Shareholders' Meeting, the Company is required to appoint an independent financial advisor to provide the opinion of the acquisition of

assets which will be sent to shareholders together with additional information disclosure by the Company and the invitation letter for the Shareholders' Meeting.

The details of the transaction are as follows:

1. The Date of Transaction

The Tender Offer shall be made after the Condition Precedent in receiving approval from the Company's shareholders meeting to acquire MK's shares has been satisfied. The Company expected that the Condition Precedent will be satisfied and the Company will be eligible to enter into the transaction within the fourth quarter of 2020.

2. The Relevant Parties and Relationship with the Company

The Purchaser: The Company

The Seller: Other shareholders of MK excluding the Company who accept the Tender Offer

Relationship: By reviewing major shareholders' names as of the latest Record Date on March 31, 2020, on the SET's website, there are 3 shareholders from total 22 shareholders that the Company does not have any further information to identify relationships with the Company. The rest shareholders, from preliminary review, are not the Connected Person of the Company.

3. Details, Category, and Transaction Size of the Acquired Assets

3.1. The General Characteristics of the Transaction

The Company will purchase not exceeding 892,578,048 ordinary shares of MK owned by the rest shareholders other than itself at the price of not exceeding 3.10 Baht per share, totaling not exceeding 2,766,991,949 Baht. Subject to the Condition Precedent in receiving the approval from the Company's shareholders meeting to acquire MK's shares, the share acquisition shall be made through the Tender Offer in compliance with the Notification of the Capital Market Supervisory Board No. ThorJor. 12/2554: Re: Rules, Conditions, and Procedures for the Acquisition of Securities for Business Takeover (as amended).

At present, MK has 3 types of securities comprising 1) Ordinary shares 2) The ordinary share purchase warrants of the Company issued to the Directors Executives and Employees of the Company and its subsidiaries No.1: MK-WA ("Warrant"). The exercise price of Warrant is 4.00 Baht per share which is

higher than the purchase price offered by the Company of not exceeding 3.10 Baht per share. During the fourth quarter of 2020, the number of shares which can be exercised by Warrants is 6,500,000 shares. 3) Debentures. At present, the Company holds 205,127,018 shares in MK, representing 18.80% of paid up shares of MK which is 1,091,205,066 shares.

In this regards, the securities that the Company will purchase in this transaction is ordinary shares of MK of not exceeding 892,578,048 shares, comprising 886,078,048 shares, which is the difference between the current number of total paid-up shares of MK and the number of shares held by the Company before this acquisition of shares of MK and 6,500,000 shares, which is the number of paid-up shares of MK that may be increased resulting from the exercise of the Warrant.

In case that all other shareholders accept to sell all shares through the Tender Offer, the Company will have a shareholding of 100% of MK's paid up capital and 100% of MK's voting rights. In this case, MK will become a subsidiary of the Company, and the Company will be required to act in compliance of relevant laws or regulations, including the free float amendment.

3.2. Details of the Acquired Assets

In case that all other shareholders accept to sell all shares through the Tender Offer, the Company will have a shareholding of 100% of MK's paid up capital and MK will become a subsidiary of the Company.

Details of MK can be summarized as follows:

Characteristics of the businesses : MK is engaged in property development including

- 1) property development for sale
- 2) property development for rent and related services.

Registered Capital : 1,117,211,195 Baht
As of September 25, 2020

Paid up Capital : 1,091,205,066 Baht
As of September 25, 2020

Board of Directors : Lists of Board of Directors of MK as of September 25, 2020
are as follows:

Name	Position
Mr. Suthep Wongvorazathe	Chairman of the Board
Mr. Vorasit Pokachaiyapat	Chief Executive Officer Managing Director Director
Miss Dusadee Tancharoen	Managing Director Director
Mrs. Sutida Suriyodorn	Director
Miss Rachanee Mahatdetkul	Director
Mr. Att Tongyai Asavanund	Independent Director Chairman of Audit Committee
Mr. Chaiyapont Timsootheepant	Independent Director Audit Committee
Mrs. Malai Rachataswan	Independent Director Audit Committee
Mr. Theraphan Jittalam	Independent Director Audit Committee

Connected Person of FNS which are directors of MK	Proportion of Shareholding in MK
Mr. Vorasit Pokachaiyapat	None
Miss Rachanee Mahatdetkul	None

List of top 10 shareholders of MK

List of top 10 shareholders of MK as of March 31, 2020 which is the latest Record Date are as follows:

Rank	Major Shareholders	No. of Shares	% Shares
1.	Finansa Public Company Limited	205,127,018	18.80
2.	Mr. Prateep Tangmatitham	133,359,982	12.22
3.	CPD Asset Company Limited	60,492,171	5.54
4.	CPD Holding Company Limited	60,000,000	5.50
5.	Eminent Expert Limited	54,362,000	4.98
6.	Wisdom Leader Ventures Limited	52,171,368	4.78
7.	Supalai Property Management Company Limited	43,876,920	4.02
8.	Dr. Aurchat Kanjanapitak	30,764,140	2.82

Rank	Major Shareholders	No. of Shares	% Shares
9.	BCS Property Company Limited	26,829,270	2.46
10.	Miss Piyasri Tantiwatana	24,548,970	2.25

Source: The Stock Exchange of Thailand

3.3. Category and Transaction Size

The entering into such transaction is considered acquisition of assets according to the Notification of the Acquisition or Disposition. Details of transaction size are as following:

Calculation Criteria	Calculation Methodology
1. Net Tangible Asset ("NTA")	<p>= Book Value of NTA of MK in proportion of the acquired assets¹ / NTA of the Company according to the consolidated financial statements²</p> <p>= $81.20\%^3 \times 6,652.49 \text{ Million Baht} / 2,586.77 \text{ Million Baht}$</p> <p>= 208.83%</p>
2. Net Operating Profit	<p>= Trailing 12 months of MK's Net Profit in proportion of the acquired assets¹ / Trailing 12 months of the Company's Net Profit²</p> <p>Inapplicable, because the Trailing 12 months of the Company's Net Profit is negative.</p>
3. Total Value of Consideration	<p>= Total Value of Consideration / total assets of the Company pursuant to the consolidated financial statements²</p> <p>= $2,766.99 \text{ Million Baht} / 4,343.29 \text{ Million Baht}$</p> <p>= 63.71%</p>
4. Value of Securities Issued	= No such case.

Remark:

- Based on the consolidated financial statements of MK for the period ended June 30, 2020*
- Based on the consolidated financial statements of the Company for the period ended ended June 30, 2020*
- Calculated by using the proportion of shares currently held by the rest shareholders other than the Company.*

From the calculation, this transaction has the highest transaction size of 208.83 percent of the Net Tangible Asset of the Company (which is the highest transaction size in accordance with the NTA criteria). After taking into consideration of the acquisition or disposal of asset transactions during past 6 months, the highest value of aggregated transaction size is equal to 208.83 percent derived from the net tangible asset value criteria. Therefore, this transaction is considered the acquisition of assets, Class 1 Transaction, a transaction between a listed company or a subsidiary and another listed company or subsidiary of another listed company with the transaction size of 50 percent or more. As a result, the Company has the obligations to disclose the information memorandum to the SET and is required to convene a Shareholders' Meeting to obtain shareholders' approval in compliance with the Notification of the Acquisition or Disposition.

4. Total value of Consideration and Payment Conditions

4.1. Total Value of Consideration

Not exceeding 2,766,991,949 Baht

4.2. Payment Conditions

After the end of Tender Offer Period the Tender Offer Agent will make a payment to the Offeree.

The payment date and relevant details will be further announced through the Tender Offer Documents.

5. Value of acquired assets

The ordinary shares of MK of not exceeding 892,578,048 shares with a total value of not exceeding 2,766,991,949 Baht.

6. Basis for Determining the Value of Consideration

The acquisition of not exceeding 892,578,048 shares of MK at the price per share of not exceeding 3.10 Baht is resulted in the value of consideration of not exceeding 2,766,991,949 Baht. The purchased price is 7.04% higher than the market price which is the weighted average price of ordinary shares of the MK for the period of 15 working days prior to September 25, 2020 ("VWAP") which is 2.90 Baht. The different between the purchased price and the marker price is determined to motivate the shareholder of MK to accept the Tender Offer.

7. Expected Benefits to the Company

- 1) The Company will have opportunities to receive capital gain and dividend at the appropriate rate, successively, since MK is considered to have business potential and growth prospect.
- 2) To make additional investment in MK's shares is to extend the Company's investment in property development business through MK. MK is a property developer in various area including residential development, factory and warehouse rental, and health and wellness center business. MK has commenced its investment in health and wellness center business 2019 since it viewed that the healthcare services is a business with good potential from various supporting factors such as consumer behavior that tends to pay more attention on health protection, demographic structure with higher proportion of elderly populations, and opportunities from medical tourism after the COVID-19 pandemic.
- 3) Making additional investment in MK's shares will enhance the Company's capabilities to direct MK's business efficiently resulted from several factors as follows:
 - 3.1 The Company will have significant voting rights in MK, for example if the Company's shareholding proportion in MK after the share acquisition exceeds 25% of total voting rights in MK, the Company may block the agenda in the Shareholders meeting that required by law to have special resolutions of no less than three-fourths of the total votes of the shareholders attending the meeting and eligible to vote. These kind of agenda are such as Capital Increase, Capital Reduction, and Amalgamation.
 - 3.2 In general, the Company may nominate additional delegates to be directors of MK in proportion to its shareholding in MK, which may be increased after the acquisition. Having more delegates from the Company in the Board of Directors of MK will enhance the Company's capabilities to direct MK's business efficiently.

8. Sources of Fund

Cash flows from operations and/or credit line from financial institution.

9. Conditions Precedent

The approval from Shareholders' Meeting is required.

10. Opinion of the Board of Directors on the Transaction

The Board of Directors' meeting of the Company No. 7/2020 dated September 25, 2020 has considered the benefits which shall be received from purchasing MK's shares, and viewed that the investments in

MK's shares are reasonable and will provide the benefits to the Company according to the details provide in clause 7 of this document.

11. Opinion of the Company's Audit Committee and/or Director which is different from the Opinion of the Board of Directors in 10.

None.