

(Translation)

Opinion of the Company for the Partial Tender Offer  
of  
Siam Future Development Public Company Limited



SIAM FUTURE DEVELOPMENT PUBLIC CO., LTD.

Tender Offeror

Major Cineplex Group Public Company Limited

4 January 2017

4 January, 2017

Subject: Opinion of the independent financial advisor on the partial tender offer for securities  
Siam Future Development Public Company Limited

To: The Board of Directors and shareholders of Siam Future Development Public Company Limited

On the date of 20 December, 2016, Siam Future Development Public Company Limited (“the Company”) has received the Tender Offer Announcement (Form 247-4) for the company’s shares from Major Development Public Company Limited (“the Offeror”) with the following details

| Type of securities        | No. of offered securities |               | % of offered securities <sup>1/</sup> |                       | Offer price<br>(Baht) <sup>2/</sup> | Amount of offered<br>securities (Baht) |
|---------------------------|---------------------------|---------------|---------------------------------------|-----------------------|-------------------------------------|--|
|                           | (shares /<br>units)       | Voting rights | % of total paid-<br>up capital        | % of voting<br>rights |                                     |  |
| Ordinary shares of SF3/   | 428,346,412               | 428,346,412   | 24.11                                 | 24.11                 | 6.20                                | 2,655,747,754.40                       |
| Preferred shares          |                           | -             | -                                     | -                     | -                                   | -                                      |
| Warrants                  |                           | -             | -                                     | -                     | -                                   | -                                      |
| Convertible debentures    |                           | -             | -                                     | -                     | -                                   | -                                      |
| Other securities (if any) |                           | -             | -                                     | -                     | -                                   | -                                      |
|                           |                           |               | <b>Total</b>                          | 24.11                 | <b>Total</b>                        | 2,655,747,754.40                       |

หมายเหตุ 1/ As of 16 December 2016, the Company has paid-up and registered capital of 1,776,607,541 shares

2/ shareholders who accept the Tender Offer (each an “Offeree”), are subject to payment of a brokerage fee of 0.25% of the Offer Price plus value added tax (“VAT”) of 7% of the brokerage fee. Therefore, the net price to be received by the Offeree will be THB 6.183415

3/ The Offeror is making voluntary partial tender offer of the Company of not more than 428,346,412 shares or not more than 24.11% of total issued and paid-up shares. This voluntary partial tender offer is approved by the Shareholders’ Meeting no. 1/2559 on 3 October 2016 and receive a waiver from the SEC on 27 October 2016 to do voluntary partial tender offer of the Company. Therefore, the Offeror does not have to do mandatory tender offer to buy total shares of the Company.

The Offeror will purchase the Company’ shares in a total of 25 business days from 21 December 2016 to 26 January 2017 inclusive (the “Offer Period”), during the office hours of the Tender Offer Agents from 9:00 a.m. to 4:00 p.m. The Offeree can submit the Tender Offer Acceptance Form at the office of Bualuang Securities, at Floor 29, Silom Complex Building, 191 Silom Road, Silom, Bangrak District, Bangkok 10500, Tel 0-2618-1141, 0-2618-1147 or 0-2618-1143. The Offeree will receive the payment for tendered shares after the 3rd business day from the last day of the Offer Period, which is 31 January 2017. All Acceptance Forms submitted by the Offeree in respect of the shares tendered by the Offeree in the Tender Offer must be correct, complete

The Offer price is final which will not be changed and the offer period is final which will not be extended. However, it is subject to the occurrence of one or more of the following events:

1. The Offerors may reduce the Offer Price or extend the Offer Period in the case of any event or action that occurs during the Offer Period which causes severe damage to the status or assets of the Company
2. The Offerors may change the offer or extend the Offer Period to compete with another offeror who has submitted a tender offer for shares of the Company during the Offer Period.

The Offerors may cancel the Tender Offer upon the occurrence of one or more of the following events:

1. any event or action occurring after the submission of the tender offer to the Office of the Securities and Exchange Commission (the "SEC") but within the Offer Period which causes or may cause severe damage to the financial status or the assets of the Company, where such event or action has not result solely from the actions of the Offerors or actions for which the Offerors are responsible; or
2. any action conducted by the Company after the submission of the tender offer to the SEC but within the Offer Period which causes or may cause a significant decrease in the value of the Company's shares; or
3. any action conducted by the Company as defined in the Notification of the Capital markets Supervisory Board No. Tor Chor. 14/2554 Re: Actions or exempt of actions that may affect the result of Tender Offer.

In the case that there are shareholders of the Company offering to sell the Company's shares in excess 428,346,412 shares, the Offeror will purchase only 428,346,412 shares from all these shareholders in the number of shares tendered for sale by each of them on a pro-rata basis. In case the number of shares is not offered into board lot (100 shares), the Offeror shall round the fraction of the number into board lot (100 shares) as (1) In case the fractioned shares are less than 50 shares, the Offeror shall be rounded out or (2) In case the fractioned shares are more than or equal 50 shares, the Offeror shall be rounded up to 100 shares. If the total shares after rounding are more than the maximum number of shares to be purchased, the Offeror reserves its right to round the shares as appropriate.

In the case that there are shareholders of the Company offering to sell the Company's shares in excess 428,346,412 shares and the Company's shares are allocated by each of them on a pro-rata basis as mentioned above and there are remaining ordinary shares from the allocation, Tender Offer Agent will return such ordinary share as original form which the Offeree offers to sell. In the case that the ordinary shares to the TSD for transferring shares to the Offeree's broker account or the Issuer account for account number 600, Tender Offer Agent will return such ordinary share to each Offeree within the payment date which is on 31 January 2017 but

in the case of share certificate form, Tender Offer Agent will return such share certificate form within 30 business days from the last day of the Offer Period. The Offeree can contact Tender Offer Agent to collect such share certificate. In the case of the Non-Voting Depository Receipt (“NVDR”), the Offeree will collect the NVDR through TSD from Thai NVDR Co., Ltd. Should there be the shareholders of the Company offer for sale of the Company’s shares less than 428,346,412 shares, The Offeror will purchase all shares tendered for sale by them.

**1. Past performance and expected future performance of the company**

**1.1 Company history and milestones**

Siam Future Development Company Limited was established on 29 August 1994 by Mr. Pongkit Suttapong and Mr. Nopporn Witoonchart with registered capital of 10 millin Baht to run the business in shopping center development and management by focusing on open-air shopping center development and management. In 2012, The Company started to operate Super Regoinal Mall which was Mega Bangna.

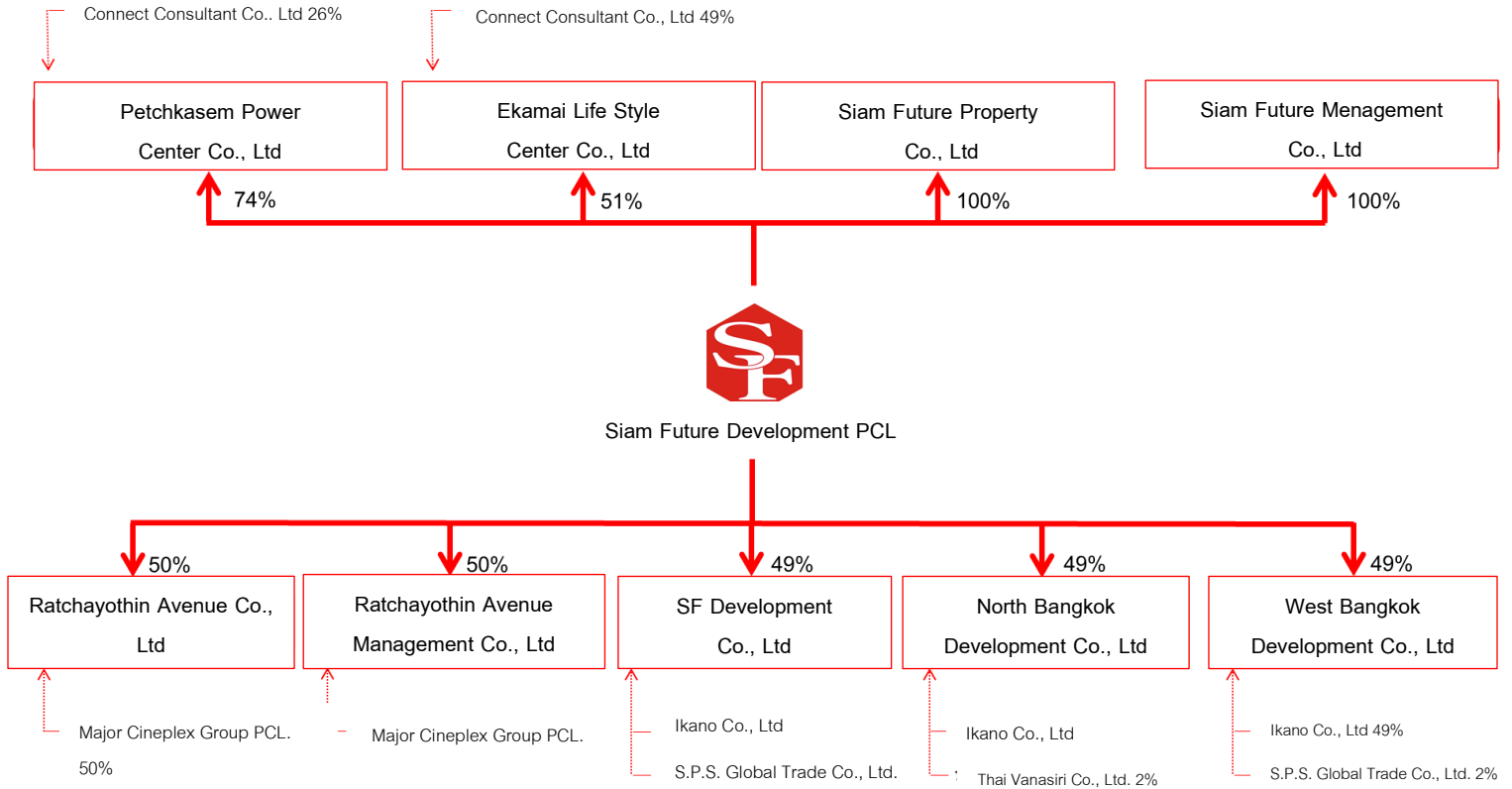
| Year | Events  |
|------|---|
| 1995 | The Company’s first neighborhood shopping center was opened in Bang Bon as Neighborhood Shopping Center with JUSCO as the anchor tenant (currently changed to Max Value)  |
| 1996 | The 2 <sup>nd</sup> and 3 <sup>rd</sup> shopping centers were opened which were Market Place Prachauthit and Market Place Sukhapiban 3 with the anchor tenant of JUSCO (currently changed to Max Value) and Tops Supermarket, respectively.   |
| 1998 | The new shopping center was opened on Sukhumvit 71 (Klong ton) with JUSCO as the anchor tenant  |
| 2001 | The Company acquired land and develop areas for specific tenant, B-quik Services Company Limmited who runs repairing services of automobiles under the name of “B-Quik” totaling 14 branches. The 2 branches of which were developed Convenience Centers, 8 branches as Stand-Alone Retail Store and 4 branches from existing shopping centers. |
| 2002 | The new shopping center was opened in Thong lor as Top Supermarket as anchor tenant under the name of Market Place Thong Lo.  |
| 2003 | The new shopping center was opened with Top Supermarket as anchor tenant under the name of Market Place ThungMahamek. And the Company signed lonter-term lease agreement for land in Soi Thong Lo 15 and Chang Wattana Road for future projects.  |
| 2004 | The Company opened another 5 shoping centers which were 1. Family Center, Changwattana, 2 Convenience Center in Lad Prao 120, 3. Major Cinex Center, Chachoengsao, 4. J avenue in Thong Lo Soi 14 and 5. Piyarom Place Sukhumvit 101/1  |
| 2005 | Another 3 shopping centers were opened which were 1. Convenience Center at Wang Hin, 2. Petchkasem Power Center having Major Cineplex theaters, Big C Supercenter, Index Living Malls   |

| Year        | Events   |
|-------------|--|
|             | and Home work as anchor tenants, 3. Ekkamai Power Center having Big C Supercenter, Index Living Malls as anchor tenants.   |
| 2006        | Another 3 shopping centers were opened which were 1. The Avenue Changwattana 2. La Villa (Phahonyothin) and 3. Esplanade (Ratchadapisek) as Entertainment Center with Major Cineplex, Ratchadalai Theater and Tops Supermarket as anchor tenants. In 2014, the Company had V Fitness Society and Art in Paradise (3D pictures) as tenants.                   |
| 2007        | Another 2 shopping centers were opened which were 1. Pattaya Avenue with Major Cineplex, Major Bowl and Villa Market as anchor tenants. In 2014, it had another anchor “Premium Outlet” who operated discounted fashion goods 2. Power Center named “Khao Yai Market Village” which had Tesco as anchor tenant. This project was already sold to Tesco Lotus |
| 2008        | Another 2 shopping centers were opened which were Market place Nawamin (Sukhapiban 1) with Big-C as anchor and The Avenue Ratchayothin with Villa Market as anchor tenant.   |
| 2009        | New shopping center was opened – Life Style Center Navamin City Avenue on Kaset-Navamin Road, with Villa Market as anchor tenant.  |
| 2010        | The Company has transferred lease right of the Avenue (Ratchayothin) of 11,109 square meters to Major Cineplex Lifestyle Leasehold Property Fund (MJLF).   |
| 2011        | Another extension for the Life Style Center Navamin City Avenue on Kaset-Navamin Road  |
| 2012        | The Company and Ikano, the world leading furniture company from Sweden, set up joint venture to operate Mega Bangna on Bang Na Road km. 8. This mega shopping center had service area of Ikea Store, Major Cineplex, Big C Super Center, Home pro and Robinson as anchor tenants, account for 180,000 sq.m.  |
| 2013        | The Company was appointed as management of Imagine Village of Bangkok University, operating in April, anchor tenants were 7-11. This agreement was expired on 31 October 2015.   |
| End of 2015 | Currently, the Company is operating 22 projects with total areas of 408,563 sq.m. and averaged occupancy rate of 98% of total areas as of 31 December 2015   |

## 1.2. Business Description

### Shareholding structure

Major Cineplex is currently the Company's major shareholder with 24.89% of total paid-up capital. The Company has 9 subsidiaries, the shareholding chart of which can be shown as follows:



- Note :
- Petchkasem Power is developing and managing Petchkasem Power Center
  - Ekkamai LifeStyle is developing and managing Ekkamai Power Center
  - Siam Future Property is developing and managing Esplanade Ratchdaphisek
  - Ratchyothin Avenue is operating shopping center The Aenue (Ratchyothin)
  - Ratchyothin Avenue Management is giving services to The Aenue (Ratchyothin)
  - Siam Future Management is managing Market Place Nawamin (Sukhapiban 1)
  - SF Development is operating shopping center Mega Bangna
  - North Bangkok Development will develop and operate shopping center in Rangsit
  - West Bangkok Development will develop and operate shopping center in Bang Yai

Name of shareholders of companies that hold shares of the Company's subsidiaries are shown as follows:

Shareholder names of Connex Consultant Company Limited from the shareholders' meeting on 12 January

2016

|              | Names                   | No. of shares | Percent       |
|--------------|-------------------------|---------------|---------------|
| 1            | Mr. Anon Khunwisarn     | 9,000         | 45.00         |
| 2            | Mr. Korawich Khunwisarn | 5,400         | 27.00         |
| 3            | Mr. Kawin Khunwisarn    | 5,400         | 27.00         |
| 4            | Ms. Nuanthip Khunwisarn | 100           | 0.50          |
| 5            | Mr. Wisan Khunwisarn    | 100           | 0.50          |
| <b>Total</b> |                         | <b>20,000</b> | <b>100.00</b> |

Source : BOL

Shareholder names of Ikano Company Limited from the shareholders' meeting on 24 July 2016

|              | Names                       | No. of shares     | Percent       |
|--------------|-----------------------------|-------------------|---------------|
| 1            | Ikano Pte.                  | 95,599,998        | 100.00        |
| 2            | Ikano Joho Jaya Sdn. Bhd.   | 1                 | 0.00          |
| 3            | Ikano Corporation Sdn. Bhd. | 1                 | 0.00          |
| <b>Total</b> |                             | <b>95,600,000</b> | <b>100.00</b> |

Source: BOL

Shareholder names of S.P.S. Global Trading Company Limited from the shareholders' meeting on 30 April

2016

|              | Names                      | No. of shares  | Percent       |
|--------------|----------------------------|----------------|---------------|
| 1            | Mr. Keerati Sermprapasilp  | 96,930         | 15.63         |
| 2            | Mr. Peerapol Sermprapasilp | 96,930         | 15.63         |
| 3            | Ms. Voranuch Sermprapasilp | 96,930         | 15.63         |
| 4            | Mr. Vorapoj Sermprapasilp  | 96,930         | 15.63         |
| 5            | Mr. Weerasak Sermprapasilp | 96,930         | 15.63         |
| 6            | Miss. Orapin Sermprapasilp | 96,930         | 15.63         |
| 7            | Ms. Papisiri Sermprapasilp | 38,420         | 6.20          |
| <b>Total</b> |                            | <b>620,000</b> | <b>100.00</b> |

Source: BOL

Shareholder names of Thai Vanasiri Company Limited from the shareholders' meeting on 29 April 2016

|              | Names                        | No. of shares    | Percent       |
|--------------|------------------------------|------------------|---------------|
| 1            | Miss Naowarat Sajjamuneewong | 1,308,000        | 81.75         |
| 2            | Ms. Suthinee Srisretthee     | 260,000          | 16.25         |
| 3            | Mr. Wimol Srettheesuan       | 32,000           | 2.00          |
| <b>Total</b> |                              | <b>1,600,000</b> | <b>100.00</b> |

Source: BOL

### Business operation

1. The Company is operating and developing shopping centers totaling 22 projects with a total area of 408,563 sq.m. as follows:

|   | Type of shopping centers     | Total | Name of projects  |
|---|------------------------------|-------|---|
| 1 | Neighborhood Shopping Center | 7     | Bangbon, Prachautit, Sukaphiban 3, Thonglo4, Thungmahamek, Piyarom Place (Sukhumvit 101/1), Market Place Nawamin (Sukaphiban 1)           |
| 2 | Convenience Center           | 2     | Wang Hin, Lad Prao 120  |
| 3 | Stand-Alone Retail Store     | 2     | Meng Jai, bang Kae  |
| 4 | Power Center                 | 3     | Petchkasem Power Center, Ekkamai Power Center, SF Major Cineplex Cha Choeng Sao   |
| 5 | Lifestyle Center             | 6     | J Avenue, Thong Lo 15, The Avenue Chang Wattana, La-Villa ( Phahonyothin), Pattaya Avenue, The Avenue (Ratchayothin), Nawamin City Avenue |
| 6 | Urban Entertainment Center   | 1     | Esplanade Ratchadapisek   |
| 7 | Super Regional Mall          | 1     | Mega Bangna   |

Source : Form 56-1 (2015)

#### 1.2.1.Revenue structure

The Company has 6 types of key incomes as follows:

1. Rental and service income from projects, project management and Common Area Maintenance or CAM including incomes from utilities such as electricity, water and telephone.
2. Revenues from finance lease contracts
3. Finance and interest income
4. Other income such as revenues from installation of water and electricity meters
5. Profit (Losses) from the fair value adjustment on investment property which is appraised by income approach of each project
6. Share profit (losses) from joint venture which is Mega Bang Na



| Revenue Structure                                 | % Shareholding | 2013            |                | 2014            |                | 2015            |                |
|---|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
|   |                | Million Bt.     | %              | Million Bt.     | %              | Million Bt.     | %              |
| 1. Rental and service income                      |                |                 |                |                 |                |                 |                |
| The Company                                       |                | 755.48          | 50.26%         | 767.68          | 41.08%         | 513.86          | 37.63%         |
| Petchkasem Power Center                           | 74%            | 141.28          | 9.40%          | 140.32          | 7.51%          | 94.50           | 6.92%          |
| Ekkamai Life Style                                | 51%            | 77.19           | 5.14%          | 76.92           | 4.12%          | 54.35           | 3.98%          |
| Siam Future Property                              | 100%           | 307.69          | 20.47%         | 317.41          | 16.99%         | 246.89          | 18.08%         |
| Siam Future Management                            | 100%           | 14.96           | 1.00%          | 13.38           | 0.72%          | 8.60            | 0.63%          |
| Ratchyothin Avenue                                | 50%            | 0.00            | 0.00%          | 0.24            | 0.01%          | 0.00            | 0.00%          |
| Ratchyothin Avenue Management                     | 50%            | 2.66            | 0.18%          | 2.99            | 0.16%          | 1.91            | 0.14%          |
| <b>Total rental and service income</b>            |                | <b>1,299.27</b> | <b>86.44%</b>  | <b>1,318.94</b> | <b>70.58%</b>  | <b>1,365.55</b> | <b>67.39%</b>  |
| 2. Revenue from finance lease contracts           |                |                 |                |                 |                |                 |                |
| The Company                                       |                | 7.41            | 0.49%          | 21.67           | 1.16%          | -               | -              |
| Petchkasem Power Center                           | 74%            | -               | -              | -               | -              | -               | -              |
| Ekkamai Life Style                                | 51%            | -               | -              | -               | -              | -               | -              |
| Siam Future Property                              | 100%           | -               | -              | -               | -              | -               | -              |
| Siam Future Management                            | 100%           | -               | -              | -               | -              | -               | -              |
| Ratchyothin Avenue                                | 50%            | -               | -              | -               | -              | -               | -              |
| Ratchyothin Avenue Management                     | 50%            | -               | -              | -               | -              | -               | -              |
| <b>Total Revenue from finance lease contracts</b> |                | <b>7.41</b>     | <b>0.49%</b>   | <b>21.67</b>    | <b>1.16%</b>   | <b>-</b>        | <b>-</b>       |
| 3. Finance and interest income                    |                |                 |                |                 |                |                 |                |
| The Company                                       |                | 14.67           | 0.98%          | 18.85           | 1.01%          | 19.11           | 0.94%          |
| Petchkasem Power Center                           | 74%            | 1.56            | 0.10%          | 0.93            | 0.05%          | 0.94            | 0.05%          |
| Ekkamai Life Style                                | 51%            | 0.17            | 0.01%          | 0.03            | 0.00%          | 0.03            | 0.00%          |
| Siam Future Property                              | 100%           | -0.49           | -0.03%         | -0.49           | -0.03%         | -0.35           | -0.02%         |
| Siam Future Management                            | 100%           | 0.68            | 0.05%          | 0.62            | 0.03%          | 0.61            | 0.03%          |
| Ratchyothin Avenue                                | 50%            | 6.56            | 0.44%          | 6.22            | 0.33%          | 6.11            | 0.30%          |
| Ratchyothin Avenue Management                     | 50%            | 2.80            | 0.19%          | 0.75            | 0.04%          | 0.75            | 0.04%          |
| <b>Total Finance and interest income</b>          |                | <b>25.96</b>    | <b>1.73%</b>   | <b>26.91</b>    | <b>1.44%</b>   | <b>27.20</b>    | <b>1.34%</b>   |
| 4. Other incomes                                  |                |                 |                |                 |                |                 |                |
| The Company                                       |                | 22.48           | 1.50%          | 16.56           | 0.89%          | 25.82           | 1.27%          |
| Petchkasem Power Center                           | 74%            | 1.12            | 0.07%          | 1.51            | 0.08%          | 1.06            | 0.05%          |
| Ekkamai Life Style                                | 51%            | 0.17            | 0.01%          | 0.09            | 0.00%          | 0.32            | 0.02%          |
| Siam Future Property                              | 100%           | 4.34            | 0.29%          | 2.23            | 0.12%          | 3.05            | 0.15%          |
| Siam Future Management                            | 100%           | 0.03            | 0.00%          | 0.06            | 0.00%          | 0.04            | 0.00%          |
| Ratchyothin Avenue                                | 50%            | 5.47            | 0.36%          | 5.46            | 0.29%          | 5.62            | 0.28%          |
| Ratchyothin Avenue Management                     | 50%            | 0.08            | 0.01%          | 0.11            | 0.01%          | -               | -              |
| <b>Total other incomes</b>                        |                | <b>33.69</b>    | <b>2.24%</b>   | <b>26.02</b>    | <b>1.39%</b>   | <b>35.91</b>    | <b>1.77%</b>   |
| 5. Share profit from joint venture                | 49%            | 291.57          | 19.40%         | 475.06          | 25.42%         | 597.63          | 29.49%         |
| <b>Grand Total</b>                                |                | <b>1,657.91</b> | <b>100.00%</b> | <b>1,868.59</b> | <b>100.00%</b> | <b>2,026.29</b> | <b>100.00%</b> |

Source: Form 56-1 (2015)

### 1.3. Shareholding structure of the Company

#### Shareholding structure before making Tender Offer

List of top 10 shareholders on the latest shareholder register book of the Business as of 31 August 2016, which is the book closing date.

|                    | Name                                    | No. of shares        | % of total paid-up capital |
|--------------------|---|----------------------|----------------------------|
| 1                  | Major Cineplex Group Plc.               | 442,191,283          | 24.89%                     |
| 2                  | Lucky Securities, Inc.                  | 143,661,366          | 8.09%                      |
| 3                  | Mr. Nopporn Witoonchart                 | 109,357,561          | 6.16%                      |
| 4                  | Mr. Pongkit Suttapong                   | 102,345,154          | 5.76%                      |
| 5                  | Mr. Suthilak Jirathiwat                 | 66,138,800           | 3.72%                      |
| 6                  | Morgan Stanley & Co. International Plc. | 59,000,000           | 3.32%                      |
| 7                  | Ms. Artitaya Jantaraprapa               | 42,308,886           | 2.38%                      |
| 8                  | Thai NVDR Co.,Ltd.                      | 38,178,409           | 2.15%                      |
| 9                  | Mrs. Gasinee Witoonchart                | 31,000,000           | 1.74%                      |
| 10                 | Miss thanjira Pojkasemsin               | 26,092,352           | 1.47%                      |
| <b>Total</b>       |   | <b>1,060,273,811</b> | <b>59.68%</b>              |
| Other shareholders |   | 716,333,730          | 40.32%                     |
| <b>Grand total</b> |   | <b>1,776,607,541</b> | <b>100.00%</b>             |

Source: The SET

#### Potential shareholding structure after making Tender Offer

In the event that all Offerees which of the securities of the Business accept this Tender Offer in the amount of 428,346,412 shares, the expected shareholding structure of the Business after the Tender Offer will be as follows:

| Name                        | No. of shares        | Percent       |
|-----------------------------|----------------------|---------------|
| Major Cineplex Group Plc.   | 870,537,695          | 49.00         |
| Other original shareholders | 906,069,846          | 51.00         |
| <b>Total</b>                | <b>1,776,607,541</b> | <b>100.00</b> |

Source: Form 247-4

Note: MAJOR as the tender offeror is making voluntary partial tender offer and is expected to hold not more than 49% of total paid-up capital.

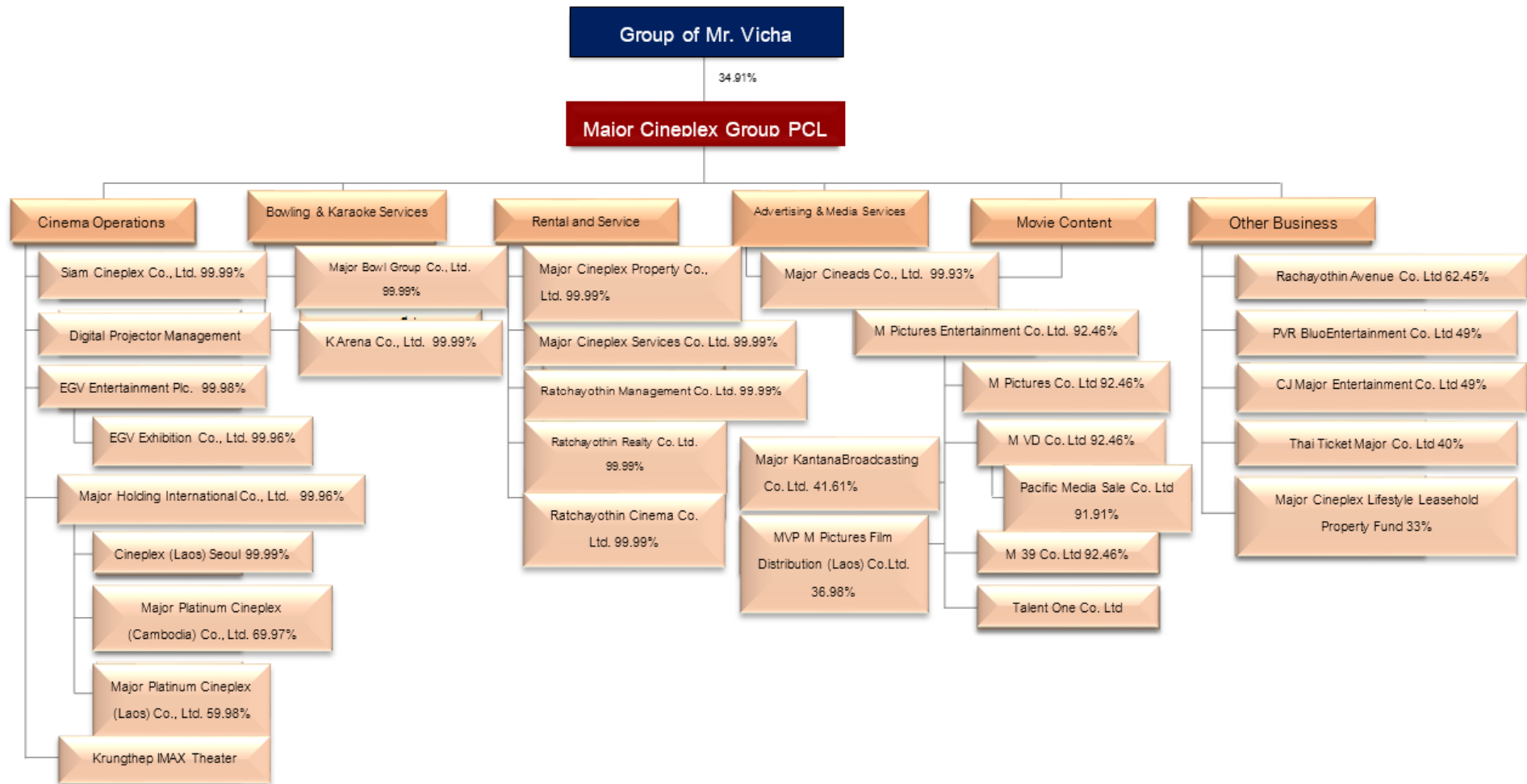
Shareholder names of MAJOR - the tender offeror

Top ten shareholders as of 30 August 2016

|              | Name                                   | No. of shares      | %             |
|--------------|--|--------------------|---------------|
| 1            | Mr. Vicha Poolvoralak                  | 293,840,110        | 32.86         |
| 2            | STATE STREET BANK AND TRUST COMPANY    | 55,258,963         | 6.18          |
| 3            | CHASE NOMINEES LIMITED                 | 43,842,027         | 4.90          |
| 4            | THE BANK OF NEW YORK MELLON            | 42,259,500         | 4.73          |
| 5            | Thai NVDR Co.Ltd.                      | 36,753,018         | 4.11          |
| 6            | STATE STREET BANK EUROPE LIMITED       | 32,833,350         | 3.67          |
| 7            | N.C.B. TRUST LIMITED-NORGES BANK 11    | 25,226,500         | 2.82          |
| 8            | MORGAN STANLEY & CO. INTERNATIONAL PLC | 25,171,400         | 2.81          |
| 9            | RBC INVESTOR SERVICES BANK S.A.        | 21,938,917         | 2.45          |
| 10           | Ms. Paradee Poolvoralak                | 18,345,536         | 2.05          |
| 11           | Others                                 | 299,014,708        | 33.42         |
| <b>Total</b> |  | <b>894,484,019</b> | <b>100.00</b> |

Shareholding structure according to Section 258

The Offeror and any person in connection with the Offeror pursuant to the Section 258 of the Securities and Exchange Act B.E. 2535 can be shown as follows:



### Name of Board of Directors

List of board of directors of MAJOR as of 9 December 2016

| Name                                 | Position  |
|--------------------------------------|---|
| 1. Mr. Somchainuk Engtrakul          | Chairman of the Board of Directors / Independent Director |
| 2. Mr. Vicha Poolvaraluk             | Chairman of Executive Committee / Director                |
| 3. Mr. Verawat Ongvasith             | Executive committee / Director                            |
| 4. Mrs. Paradee Poolvaraluk          | Executive committee / Director                            |
| 5. Mr. Thanakorn Puriwekin           | Executive committee / Director                            |
| 6. Pol. Sub. Lt. Kriengsak Lohachala | Independent Director                                      |
| 7. Mr. Wichai Poolworulak            | Director  |
| 8. Mr. Chai Jroongtanapibarn         | Independent Director / Chairman of Audit Committee        |
| 9. Mr. Vallop Tangtrongjit           | Independent Director / Audit Committee                    |
| 10. Mr. Kraithip Krairiksh           | Independent Director / Audit Committee                    |
| 11. Dr. Satian Pooprasert            | Independent Director                                      |

Source: Form 247-4

Note: Authorized signatories are Mr. Vicha Poolvaraluk, Mrs. Paradee Poolvaraluk, Mr. Verawat Ongvasith, and Mr. Thanakorn Puriwekin which two of the directors jointly sign with the seal of the Company

#### 1.4 The Board of Director

The Board of Directors as of 9 December 2016 (prior to the Tender Offer)

| Name                           | Position   |
|--------------------------------|--|
| Mr. Oranop Jantaraprapa        | Chairman   |
| Mr. Pongkit Suttapong          | Vice Chairman  |
| Mr. Nopporn Witoonchart        | Chairman of Executive Committee and Director             |
| Mr. Somnuk Pojkasemsin         | President and Director                                   |
| Mr. Kittinanth Sumruatruamphol | Director and Chief Financial Officer                     |
| Mr. Vicha Poolvaraluck         | Director   |
| Mr. Verawat Ongvasith          | Director   |
| Ms. Thitapat Issarapornpat     | Director   |
| Mr. Chai Jroongtanapibarn      | Independent Director                                     |
| Ms. Nantiya Montriwat          | Chairman of the Audit Committee and Independent Director |
| Mr. Dej Bulsuk                 | Audit Committee and Independent Director                 |
| Ms. Sabaithip Suntaros         | Audit Committee and Independent Director                 |

Source; The SET

The Board of Directors of the Business after the Tender Offer

There is no change of the Board of Directors of the Business

1.5. Financial Position and Income Statement

Financial Position

| Item   | 31 Dec 2013      |               | 31 Dec 2014      |               | 31 Dec 2015      |               | 30 Sep 2016      |               |
|--|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
|  | Million Bt.      | %             | Million Bt.      | %             | MillionBt.       | %             | Million Bt.      | %             |
| <b>Assets</b>  |                  |               |                  |               |                  |               |                  |               |
| Cash and cash equivalents                                  | 23.37            | 0.19%         | 27.58            | 0.22%         | 33.50            | 0.23%         | 29.66            | 0.20%         |
| Short-term investments                                     | 49.07            | 0.41%         | 237.29           | 1.90%         | 568.02           | 3.94%         | 127.84           | 0.87%         |
| Trade and other receivables                                | 124.58           | 1.04%         | 126.34           | 1.01%         | 225.88           | 1.57%         | 130.93           | 0.89%         |
| Finance lease receivables due within 1 year                | 22.31            | 0.19%         | 24.40            | 0.20%         | 26.47            | 0.18%         | 29.04            | 0.20%         |
| Amounts due from related parties                           | 127.86           | 1.07%         | 128.71           | 1.03%         | 1.34             | 0.01%         | 6.35             | 0.04%         |
| Short-term loans to related parties                        | 25.00            | 0.21%         | 25.00            | 0.20%         | 23.00            | 0.16%         | 18.15            | 0.12%         |
| Other current assets                                       | 17.43            | 0.15%         | 13.64            | 0.11%         | 5.97             | 0.04%         | 12.87            | 0.09%         |
| <b>Total current assets</b>                                | <b>389.62</b>    | <b>3.25%</b>  | <b>582.97</b>    | <b>4.68%</b>  | <b>884.18</b>    | <b>6.13%</b>  | <b>354.83</b>    | <b>2.41%</b>  |
| Restricted cash  | 0.58             | 0.00%         | 0.59             | 0.00%         | 0.60             | 0.00%         | 0.60             | 0.00%         |
| Finance lease receivables                                  | 667.88           | 5.56%         | 667.08           | 5.35%         | 635.59           | 4.41%         | 613.10           | 4.16%         |
| Investments in joint ventures                              | 3,159.08         | 26.32%        | 3,507.72         | 28.15%        | 4,123.93         | 28.59%        | 4,511.72         | 30.60%        |
| Prepaid rent, net  | 1.17             | 0.01%         | 1.10             | 0.01%         | 1.03             | 0.01%         | 0.98             | 0.01%         |
| Investment property  | 7,610.59         | 63.41%        | 7,518.37         | 60.34%        | 8,575.03         | 59.46%        | 9,091.89         | 61.67%        |
| Building and equipment, net                                | 28.49            | 0.24%         | 50.45            | 0.40%         | 45.40            | 0.31%         | 51.72            | 0.35%         |
| Intangible assets, net                                     | 22.37            | 0.19%         | 20.18            | 0.16%         | 16.90            | 0.12%         | 14.44            | 0.10%         |
| Deposits for leasehold land                                | 57.24            | 0.48%         | 52.09            | 0.42%         | 86.92            | 0.60%         | 53.62            | 0.36%         |
| Other non-current assets                                   | 65.84            | 0.55%         | 59.61            | 0.48%         | 52.51            | 0.36%         | 50.83            | 0.34%         |
| <b>Total non-current assets</b>                            | <b>11,613.24</b> | <b>96.75%</b> | <b>11,877.18</b> | <b>95.32%</b> | <b>13,537.90</b> | <b>93.87%</b> | <b>14,388.91</b> | <b>97.59%</b> |
| <b>Total assets</b>  | <b>12,002.86</b> | <b>100%</b>   | <b>12,460.15</b> | <b>100%</b>   | <b>14,422.08</b> | <b>100%</b>   | <b>14,743.74</b> | <b>100%</b>   |
| <b>Liabilities and equity</b>                              |                  |               |                  |               |                  |               |                  |               |
| Bank overdrafts and ST loans from financial institutions   | 200.00           | 1.67%         | 498.82           | 4.00%         | 0.00             | 0.00%         | 349.22           | 2.37%         |
| Trade and other payables                                   | 132.40           | 1.10%         | 148.01           | 1.19%         | 149.38           | 1.04%         | 177.97           | 1.21%         |
| Amounts due to related parties                             | 41.50            | 0.35%         | 37.98            | 0.30%         | 30.97            | 0.21%         | 21.02            | 0.14%         |
| Current portion of unearned rental and service income      | 52.10            | 0.43%         | 52.69            | 0.42%         | 92.29            | 0.64%         | 43.23            | 0.29%         |
| Current portion of long-term borrowings                    | 498.44           | 4.15%         | 0.00             | 0.00%         | 749.01           | 5.19%         | 699.25           | 4.74%         |
| Finance lease liabilities on land leases – current portion | 88.18            | 0.73%         | 48.18            | 0.39%         | 54.95            | 0.38%         | 32.81            | 0.22%         |
| Corporate income tax payable                               | 13.15            | 0.11%         | 9.94             | 0.08%         | 12.80            | 0.09%         | 5.67             | 0.04%         |
| Other current liabilities                                  | 143.53           | 1.20%         | 163.18           | 1.31%         | 198.89           | 1.38%         | 209.70           | 1.42%         |

| Item  | 31 Dec 2013      |               | 31 Dec 2014      |               | 31 Dec 2015      |               | 30 Sep 2016      |               |
|---|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
|   | Million Bt.      | %             | Million Bt.      | %             | MillionBt.       | %             | Million Bt.      | %             |
| <b>Total current liabilities</b>            | <b>1,169.30</b>  | <b>9.74%</b>  | <b>958.80</b>    | <b>7.69%</b>  | <b>1,288.29</b>  | <b>8.93%</b>  | <b>1,538.86</b>  | <b>10.44%</b> |
| Unearned rental and service income          | 469.45           | 3.91%         | 430.77           | 3.46%         | 364.82           | 2.53%         | 365.63           | 2.48%         |
| Long-term borrowings                        | 1,447.68         | 12.06%        | 1,447.67         | 11.62%        | 1,198.80         | 8.31%         | 0.00             | 0.00%         |
| Long-term borrowings – over 1 year          | 0.00             | 0.00%         | 0.00             | 0.00%         | 0.00             | 0.00%         | 499.34           | 3.39%         |
| Deposits received from customers            | 444.39           | 3.70%         | 472.42           | 3.79%         | 493.95           | 3.42%         | 485.92           | 3.30%         |
| Deferred tax liabilities                    | 631.49           | 5.26%         | 666.05           | 5.35%         | 902.49           | 6.26%         | 956.32           | 6.49%         |
| Finance lease liabilities on land leases    | 1,381.86         | 11.51%        | 1,307.58         | 10.49%        | 1,234.60         | 8.56%         | 1,425.88         | 9.67%         |
| Employee benefit obligations                | 28.33            | 0.24%         | 30.46            | 0.24%         | 33.13            | 0.23%         | 36.41            | 0.25%         |
| <b>Total non-current liabilities</b>        | <b>4,403.20</b>  | <b>36.68%</b> | <b>4,354.96</b>  | <b>34.95%</b> | <b>4,227.79</b>  | <b>29.31%</b> | <b>3,769.50</b>  | <b>25.57%</b> |
| <b>Total liabilities</b>                    | <b>5,572.50</b>  | <b>46.43%</b> | <b>5,313.76</b>  | <b>42.65%</b> | <b>5,516.08</b>  | <b>38.25%</b> | <b>5,308.36</b>  | <b>36.00%</b> |
| <b>Equity</b>                               |                  |               |                  |               |                  |               |                  |               |
| Issued and paid-up share capital            | 1,316.02         | 10.96%        | 1,480.52         | 11.88%        | 1,776.61         | 12.32%        | <b>1,776.61</b>  | 12.05%        |
| Share premium                               | 634.03           | 5.28%         | 634.03           | 5.09%         | 634.03           | 4.40%         | <b>634.03</b>    | 4.30%         |
| Retained earnings                           |                  |               |                  |               |                  |               |                  |               |
| Appropriated - legal reserve                | 117.03           | 0.97%         | 131.63           | 1.06%         | 148.06           | 1.03%         | <b>177.67</b>    | 1.21%         |
| Unappropriated                              | 3,977.87         | 33.14%        | 4,483.29         | 35.98%        | 5,545.35         | 38.45%        | <b>6,021.30</b>  | 40.84%        |
| Other components of equity *                | 0.00             | 0.00%         | (0.51)           | 0.00%         | (0.45)           | 0.00%         | <b>(0.45)</b>    | 0.00%         |
| Equity attributable to owners of the parent | <b>6,044.94</b>  | 50.36%        | <b>6,728.94</b>  | 54.00%        | <b>8,103.60</b>  | 56.19%        | <b>8,609.16</b>  | 58.39%        |
| Non-controlling interests                   | 385.41           | 3.21%         | 417.44           | 3.35%         | 802.41           | 5.56%         | 826.22           | 5.60%         |
| <b>Total equity</b>                         | <b>6,430.36</b>  | <b>53.57%</b> | <b>7,146.39</b>  | <b>57.35%</b> | <b>8,906.00</b>  | <b>61.75%</b> | <b>9,435.38</b>  | <b>64.00%</b> |
| <b>Total liabilities and equity</b>         | <b>12,002.86</b> | <b>100%</b>   | <b>12,460.15</b> | <b>100%</b>   | <b>14,422.08</b> | <b>100%</b>   | <b>14,743.74</b> | <b>100%</b>   |

Source: the Company

## Income Statement

| Item   | 31 Dec 2013     |                | 31 Dec 2014     |                | 31 Dec 2015     |                | 30 Sep 2015     |                | 30 Sep 2016     |                |
|--|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
|  | Million Bt.     | %              | Million Bt.     | %              | Million Bt.     | %              | Million Bt.     | %              | Million Bt.     | %              |
| <b>Revenues</b>                                    |                 |                |                 |                |                 |                |                 |                |                 |                |
| Rental and service income                          | 1,299.27        | 78.37%         | 1,318.94        | 70.58%         | 1,365.55        | 67.39%         | 1,018.75        | 70.10%         | 1,033.22        | 67.89%         |
| Revenue from finance lease contracts               | 7.41            | 0.45%          | 21.67           | 1.16%          | 0.00            | 0.00%          | 0.00            | 0.00%          | 0.00            | 0.00%          |
| Finance and interest income                        | 25.96           | 1.57%          | 26.91           | 1.44%          | 27.20           | 1.34%          | 20.51           | 1.41%          | 19.72           | 1.30%          |
| Dividend income                                    | 0.00            | 0.00%          | 0.00            | 0.00%          | 0.00            | 0.00%          | 0.00            | 0.00%          | 0.00            | 0.00%          |
| Other income                                       | 33.69           | 2.03%          | 26.02           | 1.39%          | 35.91           | 1.77%          | 27.82           | 1.91%          | 31.20           | 2.05%          |
| Share profit from joint venture                    | 291.57          | 17.59%         | 475.06          | 25.42%         | 597.63          | 29.49%         | 386.19          | 26.57%         | 437.76          | 28.76%         |
| <b>Total revenues</b>                              | <b>1,657.91</b> | <b>100.00%</b> | <b>1,868.59</b> | <b>100.00%</b> | <b>2,026.29</b> | <b>100.00%</b> | <b>1,453.26</b> | <b>100.00%</b> | <b>1,521.89</b> | <b>100.00%</b> |
| <b>Expenses</b>                                    |                 |                |                 |                |                 |                |                 |                |                 |                |
| Cost of rental and service                         | 562.34          | 33.92%         | 550.28          | 29.45%         | 537.52          | 26.53%         | 398.14          | 27.40%         | 397.37          | 26.11%         |
| Cost of finance lease contracts                    | 4.54            | 0.27%          | 13.19           | 0.71%          | 0.00            | 0.00%          | 0.00            | 0.00%          | 0.00            | 0.00%          |
| Fair value adjustment on investment property, net  | 154.87          | 9.34%          | 165.17          | 8.84%          | (930.01)        | -45.90%        | 129.89          | 8.94%          | (3.88)          | -0.26%         |
| Selling expenses                                   | 29.54           | 1.78%          | 30.71           | 1.64%          | 36.95           | 1.82%          | 18.34           | 1.26%          | 23.24           | 1.53%          |
| Administrative expenses                            | 156.56          | 9.44%          | 174.16          | 9.32%          | 171.84          | 8.48%          | 134.92          | 9.28%          | 137.60          | 9.04%          |
| Directors and managements' remuneration            | 19.30           | 1.16%          | 20.67           | 1.11%          | 21.71           | 1.07%          | 16.33           | 1.12%          | 15.03           | 0.99%          |
| <b>Total expenses</b>                              | <b>927.15</b>   | <b>55.92%</b>  | <b>954.18</b>   | <b>51.06%</b>  | <b>(161.99)</b> | <b>-7.99%</b>  | <b>697.61</b>   | <b>48.00%</b>  | <b>569.36</b>   | <b>37.41%</b>  |
| <b>Profit before finance costs and tax</b>         | <b>730.76</b>   | <b>44.08%</b>  | <b>914.41</b>   | <b>48.94%</b>  | <b>2,188.29</b> | <b>107.99%</b> | <b>755.65</b>   | <b>52.00%</b>  | <b>952.53</b>   | <b>62.59%</b>  |
| Finance costs                                      | (103.16)        | -6.22%         | (94.85)         | -5.08%         | (96.37)         | -4.76%         | (71.94)         | -9.52%         | (57.46)         | -3.78%         |
| <b>Profit before tax</b>                           | <b>627.60</b>   | <b>37.86%</b>  | <b>819.56</b>   | <b>43.86%</b>  | <b>2,091.92</b> | <b>103.24%</b> | <b>683.72</b>   | <b>47.05%</b>  | <b>895.08</b>   | <b>58.81%</b>  |
| Income tax expenses                                | (84.23)         | -13.42%        | (87.30)         | -10.65%        | (299.12)        | -14.30%        | (58.16)         | -8.51%         | (95.89)         | -10.71%        |
| <b>Profit for the year</b>                         | <b>543.37</b>   | <b>32.77%</b>  | <b>732.26</b>   | <b>39.19%</b>  | <b>1,792.80</b> | <b>88.48%</b>  | <b>625.56</b>   | <b>43.04%</b>  | <b>799.19</b>   | <b>52.51%</b>  |
| Non-Controlling interest                           | -31.51          | -1.90%         | -32.03          | -1.71%         | -384.96         | -19.00%        | -22.80          | -1.57%         | -27.15          | -1.78%         |
| <b>Profit attributable to owners of the parent</b> | <b>511.86</b>   | <b>30.87%</b>  | <b>700.23</b>   | <b>37.47%</b>  | <b>1,407.83</b> | <b>69.48%</b>  | <b>602.75</b>   | <b>41.48%</b>  | <b>772.05</b>   | <b>50.73%</b>  |

Source: the Company



## Cash Flow Statement

| Item                                 | 31 Dec 2013 | 31 Dec 2014 | 31 Dec 2015 | 31 Sep 2016 |
|--------------------------------------|-------------|-------------|-------------|-------------|
|                                      | Million Bt. | Million Bt. | Million Bt. | Million Bt. |
| Cash flow from Operation activities  | 153.81      | 176.35      | 118.88      | 856.91      |
| Cash flow from Investment activities | (365.64)    | 47.33       | (79.75)     | (190.15)    |
| Cash flow from Financing activities  | 174.63      | (219.46)    | (33.21)     | (670.60)    |
| Net Cash flow each year              | (37.20)     | 4.22        | 5.92        | (3.84)      |
| Beginning cash                       | 60.57       | 23.37       | 27.58       | 33.50       |
| Ending cash                          | 23.37       | 27.58       | 33.50       | 29.66       |

Source: the Company

### 1.6. Analysis of the performance and financial position

#### ■ Income Statement

##### Revenue

For the year 2014, the Company and its subsidiaries had rental and service income of 1,318.94 million Baht, an increase of 19.66 million Baht or 1.51% from year 2013. The main reason was the rental rate adjustment as determined in the rental agreement. And in the first half of the year, the Company gave a discount to tenants in shopping centers that were affected by uncertainty of the political situation. Revenue from finance lease contracts increased 21.67 million Baht, 14.26 million Baht or 19.28% higher than prior year. It was due to long-term tenant, B-Quik, continued the rental agreement in Meng Jai.

Other revenues were 26.02 million Baht, 7.67 million Baht lower than prior year, due to miscellaneous revenues reduced. Share profit from joint venture at Mega Bang Na was 475.06 million Baht, 183.49 million Baht or 62.935 higher than prior year resulting from rental rate adjustment and more revenue from common areas. Therefore, total revenues were 1,868.59 million Baht, 210.68 million Baht or 12.71% higher than prior year with the reason mentioned above.

For the year 2015, rental and service income could generate 1,365.55 million Baht, an increase of 46.62 million Baht or 3.53% compared to prior year which had 1,318.94 million Baht. It was due to the opening of Pattaya Avenue by the end of 2014 and revenues could be recognized in full in 2015. Moreover, there was an increase in management fee of common areas and rental rate adjustment. Occupancy rate of total projects excluding Mega Bang Na went up to 98% from 93% in prior year. Revenue from finance lease contracts decreased because B-quick at Meng Jai terminated the agreement, leading to the loss of revenue of 22 million Baht that was recorded in 2014. The Company could generate more other revenues at 35.91 million Baht, an increase of 9.89 million Baht or 38.02%, which were the installation of utilities, insurance premium from tenants. And Share profit from joint venture at Mega Bang Na was 597.63 million Baht, 122.57 million Baht or 25.80%

higher than prior year due to rental rate adjustment for the period of 3<sup>rd</sup> year and more fees from the use of common areas. Therefore, total revenues were 2,026.29 million Baht, 157.7 million Baht or 8.44% higher than prior year with the reason mentioned above.

For the period of 9 months in 2016, rental and service income were 1,033.22 million Baht, 14.47 million Baht or 1.42% increase from prior year, compared to 1,018.75 million Baht from prior period. Share profit from joint venture were recorded at 437.76 million Baht, 51.57 million Baht or 13.35% higher than prior year. It was due to the rental rate adjustment for the anniversary period of 3<sup>rd</sup> year during mid of 2015 and more revenues from new tenants and common areas. Thus, total revenues were 1,521.89 million Baht, 68.63 million Baht or 4.72% higher than prior year with the reason mentioned above.

### Expenses

For the year 2014, the Company and its subsidiaries had cost rental and service at 550.28 million Baht, 12.05 million Baht or 2.14% lower than prior year. It was due to the energy saving project that could help reduce overall utility expenses. Cost of finance lease contract was recorded at 13.19 million Baht, an increase of 8.65 million Baht or 190.36% due to having new tenants. Fair value adjustment on investment property were 165.17 million Baht, 10.31 million Baht or 6.66% decrease due to lower value of fair market value. Selling & administrative expenses were 225.54 million Baht, an increase of 20.14 million Baht or 9.8% due to more marketing events and personnel expenses. Thus, total expenses 954.18 million Baht or an increase of 27.03 million Baht or 2.92% with the reason mentioned above.

For the year of 2015, cost of rental and service were 537.52 million Baht, a decrease of 12.76 million Baht or 2.32%. It was because B-quik did not want to extend small 6 rental agreements, leading to lower cost of leased land to be recorded. The Company also joined the energy saving project by changing from fluorescent to LED tube lights. Fair value adjustment on investment property was 930.01 million Baht or an increase of 165.17 million Baht. It was because the 3<sup>rd</sup> year anniversary to revalue the investment property and the Avenue (Ratchayothin) was appraised at much higher value as the project was located on the extension line of BTS system and next to the station. In addition, several projects could show improved performance due to more customers in each project, leading to higher value of investment property, The appraised value of Mega Bangna was also higher in line with more customers, resulting in the discount rate to go down from 10% to 9%. Selling and administrative expenses were 230.50 million Baht, an increase of 4.96 million Baht or 2.20%, resulting from the higher selling expenses of 6.23 million Baht. Thus, total expenses went down 1,116.18 million Baht or a decrease of 161.98% from prior year,

For the period of 3 months in 2016, cost of rental and service was 397.37 million Baht, 0.78 million Baht or 0.20% slightly reduced from prior period last year. There was a gain from the fair value adjustment on investment property of 3.88 million Baht, compared with the losses of 129.89 million Baht last year. It was mainly because the rental adjustment of tenants in Petchkasem Power Center. Selling and administrative expenses were 175.87 million Baht, 6.28 million Baht or 3.70% higher than prior year. Therefore, total expenses were 128.27 million Baht or 18.39% lower than last year.

#### Profitability

| Margin                  | 31 Dec 2013 | 31 Dec 2014 | 31 Dec 2015 | 9 months<br>Jan - Sep 2016 |
|-------------------------|-------------|-------------|-------------|----------------------------|
| Gross Profit Margin (%) | 58.62%      | 59.89%      | 62.38%      | 63.35%                     |
| Net Profit Margin (%)   | 30.87%      | 37.47%      | 69.48%      | 50.73%                     |

In 2014, total revenues increased 12.71% while total expenses went up 2.92% and finance cost was 94.85 million Baht. That resulted in net profit of 700.23 million Baht, 188.37 million Baht or 36.80% increase from previous year. And net profit margin was 37.47%.

In 2015, total revenues increased 8.44% while total expenses went down 116.98% and finance cost was 96.37 million Baht. That resulted in net profit of 1,407.83 million Baht, 707.60 million Baht or 101.05% increase from previous year. And net profit margin was 69.48%.

For the period of 9 months in 2016, total revenues increased 4.72% while total expenses went down 18.39% and finance cost was 57.46 million Baht. That resulted in net profit of 772.05 million Baht, 169.30 million Baht or 28.09% increase from previous year. And net profit margin was 50.73%.

#### ■ Financial Position

##### Assets

As of 31 December 2014, the Company and its subsidiaries had a total assets of 12,460.15 million Baht, 457.29 million Baht or 3.81% increase from last year. It was due to the increase in short term investment, which were securities for trading. In 2014, short term investment was 237.29 million Baht, 188.23 million Baht or 383.63% increase from last year, which came from cash from operation and dividend received from joint venture (Mega Bangna Project) of 161 million Baht. The investment focused on the fund with high liquidity, low risk and gaining appropriate return. Investment in joint ventures were recorded at 3,507.72 million Baht, 348.64 million Baht or 11.04% increase from last year. The amount was from the sharing profit from joint venture in Mega Bang Na in terms of profit from operation and revalue of the investment property. Nonetheless, Investment

property was 7,518.37 million Baht, 92.22 million Baht or 1.21% decrease, resulting from lower value of market value of property.

As of 31 December 2015, total assets of 14,422.08 million Baht were recorded, 1,961.93 million Baht or 15.75% higher than last year which recorded 12,460.15 million Baht. The reason is the higher amount of short term investment composed of securities for trading. The amount of short term investment was 568.02 million Baht, 330.73 million Baht increase from last year, which came from cash from operation and dividend received from joint venture (Mega Bangna Project) of 113 million Baht. The investment focused on the fund with high liquidity, low risk and gaining appropriate return. In addition, trade and other receivables were 225.88 million Baht, 99.54 million Baht or 78.78% increase. Investment in joint ventures were recorded at 4,123.93 million Baht, 616.21 million Baht increase from last year. The amount was from the sharing profit from joint venture in Mega Bang Na in terms of profit from operation, fair value adjustment of investment property and dividend received from joint venture including additional investment amount in North Bangkok Development to acquire land. Thus, Investment property was 8,575.03 million Baht, or an increase of 1,056.66 million Baht, resulting from higher appraised value of The Avenue (Ratchayothin) and overall improved performance of several projects. Other receivables from related party went down from 126.46 million Baht to 1.34 million Baht, or 127.37 million Baht decrease due to payment from joint venture.

As of 30 September 2016, there were total assets of 14,743.74 million Baht, 321.66 million Baht or 1.47% increase from last year. It was due to the higher value of investment property of 516.87 million Baht or 6.03% growth from last year from several projects including Petchkasem Power Center. Moreover, investments in joint ventures went up 387.78 million Baht or 9.40% due to rental adjustment for the 3<sup>rd</sup> anniversary of the agreement during mid 2015, more rental revenue from new tenants including revenue from commo areas in Mega Bang Na. But short term investment reduced 440.19 million Baht or 77.49% decrease from last year.

#### Liabilities

As of 31 December 2014, there were total liabilities of 5,313.76 million Baht, 258.74 million Baht or 4.64% reduced from last year which recorded 5,572.50 million Baht. It was because the Company repaid promissory notes to financial institutions of 200 million Baht and re-issued bill of exchange (B/E) of 500 million Baht in July 2014 to refinance the debenture of the same amount due in the same year. That resulted in the amount of interest-bearing debt of 1,946.49 million Baht by the end of 2014 with averaged interest rate of 4.46%, D/Eq at 0.74 times and interest-bearing debt to equity at 0.27 times. The Company has to maintain D/Eq ratio not over 1.5 times as determined in the conditions of debenture prospectus.

As of 31 December 2015, there were total liabilities of 5,516.08 million Baht, 202.32 million Baht or 3.815 higher than last year of 5,313.76 million Baht. It was because deferred tax liabilities increased 236.45

million Baht or 35.50% resulting from improved performance and adjustment of investment property of several projects. In January 2015, debenture of 500 million Baht was issued to refinance all B/E and in February 2016 debenture of 750 million Baht will be due. That resulted in the amount of interest-bearing debt of 1,947.81 million Baht by the end of 2015 with averaged interest rate of 4.83%, D/Eq at 0.62 times and interest-bearing debt to equity at 0.22 times. The Company has to maintain D/Eq ratio not over 1.5 times as determined in the conditions of debenture prospectus.

As of 30 September 2016, there were total liabilities of 5,308.36 million Baht, 207.72 million Baht or 3.77% reduced from last year at 5,516.08 million Baht. In 2016, the Company repaid the debenture of 750 million Baht and short term loan went up 349.22 million Baht and finance lease liabilities on land lease increased 191.28 million Baht or 15.49%

#### **Shareholders' Equity**

As of 31 December 2014, Shareholders' Equity was 7,146.39 million Baht, 716.03 million Baht or 11.14% increase from last year. It was because accumulated profit went up 520.02 million Baht and there was a capital increase of 164.49 million Baht in 2014.

As of 31 December 2015, Shareholders' Equity was 8,906.00 million Baht, 1,7159.62 million Baht or 24.62% increase from last year. It was because accumulated profit went up 1,078.49 million Baht and there was a capital increase of 296.09 million Baht in 2015

As of 30 September 2016, Shareholders' Equity was 9,435.38 million Baht, 529.38 million Baht or 5.94% increase from last year. It was because accumulated profit went up 779.20 million Baht and there was a dividend payment of 269.82 million Baht

#### **■ Cash Flow Statement**

In 2014, there was beginning cash and cash equivalents of 23.37 million Baht, cash flow from operating activities 176.35 million Baht, cash flow from investment activities 47.33 million Baht and cash flow from financing activities 219.46 million Baht. It resulted in cash ending of 27.58 million Baht.

In 2015, there was beginning cash and cash equivalents of 27.58 million Baht, cash flow from operating activities 118.88 million Baht, cash flow from investment activities 79.75 million Baht and cash flow from financing activities 33.21 million Baht. It resulted in cash ending of 33.50 million Baht.

As of 30 Sep 2016, there was beginning cash and cash equivalents of 33.50 million Baht, cash flow from operating activities 856.91 million Baht, cash flow from investment activities 190.15 million Baht and cash flow from financing activities 670.60 million Baht. It resulted in cash ending of 29.66 million Baht.

### 1.7 Expected Future Performance

The offeror has no plans to significantly change the business direction of the Company, the Company's policy, business plan, organization's structure, financial structure, investment plan and business strategy. The offeror will not send any representative person to be the board of directors of the Company. From the earlier stated, the Company's performance is mainly relied on retail occupancy rate. Thailand's GDP growth in 2016 is expected to be in the range of 2.5 percent to 3.5 percent (average 3.0 percent) from an earlier 2.8 percent in 2015. The government will continue to inject money into the economy by increasing government budget disbursement and bolstering the private sector's confidence. However, there are some negative factors that may stall economic growth such as falling agricultural prices, political conflicts, and ongoing droughts. External factors are a sluggish Chinese economy, political conflict in Thailand, and International political conflicts.

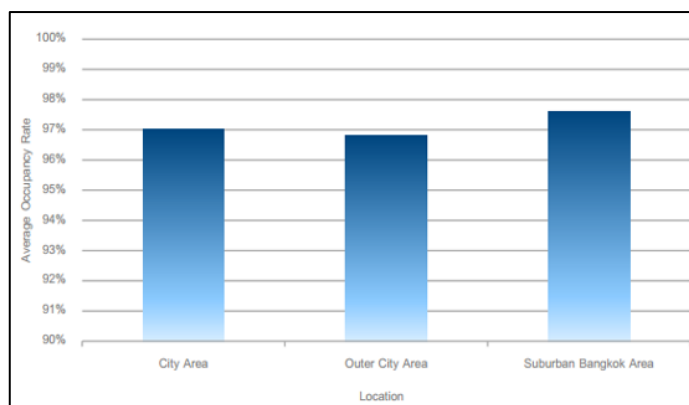
(Reference: Kasikorn Research Center)

In the retail development sector, department stores and community malls are expected to grow, totaling 491,925 sq.m. More than 220,000 sq. m. of new retail space is expected to open in 2016, comprised of many community malls, two of them are operated under Central Group. Most retail projects are almost fully occupied before their official opening dates. Community malls in the suburbs of Bangkok may not have that high occupancy rate because some small players lack experiences in retail business. They can make it successful in short term but finally lessee will shut down. Key success factor is to have popular lessee such as big supermarket, restaurants, banks that can make the project survive in the long run.

The retail business in Bangkok still has room to grow in the future. In addition, all retail developers and operators and all Thai and international brands are still looking to open their shops both in the city area provinces at the border and in popular tourist destinations. Moreover, several international operators are interested in the Thai market, but are concerned about competition from large players in the market.

#### Occupancy Rate

Most department stores and community Malls are almost fully occupied, accounting for 69% of total leasable areas. In community malls, above 96 percent of total leasable areas are occupied, as of the second quarter of 2016. The chart below shows the occupancy rate of malls in different locations in Bangkok.



### Trend and Expectation

The Thai Retailer's Society has forecasted that the retail market has the potential to grow by 2.85 percent in 2016, a small increase from 2015 at 2.8%. However, growth is highly dependent on the economic condition and the public sector's investment. The spending of middle and low income earners is expected to decrease due to high household debt and lack of confidence in the current economic environment.

Small retailers in Thailand are likely to expand to other regions of the country. The emphasis will be on large retail areas that look attractive and have shops & services for the market. In the next two years, the local retail industry will have to face competition from multinational companies. Market base will expand to countries in the South East Asia. In addition, e-commerce is gaining popularity and will be another source of competition for retailers. Thus, retailers have to find ways to attract customers to go out and have direct experiences in buying goods.

(Reference: Colliers International Thailand)

## 2. Opinion on the correctness of information in the tender offer announcement

The Board of Directors of the company is of the opinion that the information relating to the company in the tender offer announcement (Form 247-4) dated 20 December 2016 is correct in all material aspects.

## 3. Relationship between the Offeror and the Company, Major Shareholders or Directors of the Company

### 3.1 Shareholding, whether direct or indirect, by the Offeror or the authorized persons in the Company or major shareholders of the Company

#### 3.1.1 Shareholders in the Company

The Tender Offeror is a major shareholder of the Company. As of 30 September 2016, The Offeror holds 442,191,283 shares in the Company or accounting for 24.89% of paid up capital of the Company and representing 24.89% of the total voting rights of the Company.

### 3.1.2 Shareholding in the Major Shareholder of the Company

Mr. Vicha Poolvaraluck is an authorized person of the Offeror. As of 31 August 2016 (the latest date of close of share register book), the Offeror is the one and only major shareholder of the Company and Mr. Vicha Poolvaraluck holds the Offeror's shares in the amount of 293,840,100 shares or equivalent to 32.86% of paid up capital of the Offeror and representing 32.86% of the total voting rights of the Offeror.

### 3.2 Shareholding, either direct or indirect, by the Company, its major shareholders, or directors in the offeror (in case the Offeror is a juristic person):

#### 3.2.1. Shareholding by the Company

- None -

#### 3.2.2. Shareholding by its major shareholders of the Company in the Offeror

Major shareholder of the Company is the tender offeror according to the registered book as of 31 August 2016. Therefore, the tender offeror is the major shareholder.

#### 3.2.3. Shareholding by directors of the Company in the Offeror

Mr. Wicha Poolvoralak is the director of the tender offeror and holds a total of 293,840,100 shares of MAJOR or 32.86% of total paid-up capital or accounting for 32.86% of total voting rights of the tender offeror.

### 3.3. Other relationship

#### 3.3.1 Mutual director or management

| Name                          | Position in the tender offeror                    | Position in the Company |
|-------------------------------|---|-------------------------|
| 1. Mr. Wicha Poolvoralak      | Director/ Chairman of Executive Committee         | Director                |
| 2. Mr. Verawat Ongvasith      | Vice President                                    | Director                |
| 3. Mr. Chai Jroongtanapibarn  | Independent Director/ Chairman of Audit Committee | Independent Director    |
| 4. Ms. Thitapat Issarapornpat | Chief Finance Officer/ Company secretary          | Director                |

Source: SETSMART as of 9 December 2016



### 3.3.2 Related Party Transactions between the Offeror and the Company and subsidiaries of the Company

Unit: Million Baht

| PERSON/JURISTIC PERSON WHO MAY HAVE CONFLICT OF INTERESTS | RELATIONSHIP AS AT 30 SEPTEMBER 2016  | TYPE OF TRANSACTION                             | YEAR 2015                              | AS OF 30 SEP 2016 | MAJOR DETAILS/CONDITIONS   |
|---|---|---|--|-------------------|--|
| THE COMPANY   | Associates with 24.89% direct shareholding  | <b>Revenue</b>                                  |  |                   |  |
|   |   | 1. Dividend income                              | 7.69                                   | 64.43             | The transaction is from investment.  |
|   |   | 2. Other income                                 | 3.36                                   | 1.27              | This is a normal business transaction.   |
|   |   | <b>Expense</b>                                  |  |                   |  |
|   |   | 1. Rental, service and utilities fee            | 23.69                                  | 16.50             | To rent rental space to operate cinema and bowling business in Chachoengsao, Chang Wattana and Pattaya branches, approved by Audit Committee to be comparable to market price. |
|   |   | 2. Other expenses                               | 1.10                                   | 1.12              | This is a normal business transaction.   |
|   |   | Trade account receivable                        | 5.26                                   | 0.74              | This is a normal business transaction.   |
|   |   | Other receivable                                | 18.66                                  | 14.77             | This is a normal business transaction.   |
|   |   | Deposits (included in other non-current assets) | 5.39                                   | 5.39              | This is a normal business transaction.   |
|   |   | Trade account payable                           | 0.02                                   | -                 | This is a normal business transaction.   |
| Other payable   | 2.71  | 2.30  | This is a normal business transaction. |                   |  |
| RATCHAYOTHIN AVENUE CO., LTD.                             | Associates with 50% direct shareholding and 12.45% indirect shareholding through SF (MAJOR's affiliate company) | <b>Expense</b>                                  |  |                   |  |
|   |   | 1. Interest expense                             | 0.81                                   | 0.45              | This is a normal business transaction. and interest rate of 2.72% per year.  |
|   |   | 2. Other expense                                | 0.38                                   | 0.29              | This is a normal business transaction.   |
| SF DEVELOPMENT CO., LTD                                   | 12.14% Indirect shareholding through Siam Future Development Plc.   | <b>Expense</b>                                  |  |                   |  |
|   |   | 1. Rental, service and utility fee              | 50.84                                  | 40.44             | This is a normal business transaction.   |
|   |   | 2. Other expense                                | 2.97                                   | 2.45              | This is a normal business transaction.   |

|   |  |   |       |       |   |
|---|--|---|-------|-------|---|
|   |  | Deposits (included in other non-current assets) | 25.82 | 25.82 | This is a normal business transaction.  |
|   |  | Trade payable                                   | 0.02  | 0.02  | This is a normal business transaction.  |
|   |  | Other Payable                                   | 8.05  | 6.84  | This is a normal business transaction.  |
| <b>RATCHAYOTHIN AVENUE MANAGEMENT CO., LTD.</b> | 12.39% Indirect shareholding through Siam Future Development Plc. and 50.00% Indirect shareholding through Ratchayothin Avenue Co., Ltd. | <b>Revenue</b>                                  |       |       |   |
|   |  | Management fee income                           | 0.34  | 0.26  | Baht 27,000 a month for manage ratchayothin branch. This is normal transaction and approved by Audit Committee to be comparable to market price.  |
|   |  | Expense   |       |       |   |
|   |  | 1. Utility expense                              | 1.45  | 1.06  | This transaction was for rental space with purpose of operating the company's office at Ratchayothin avenue. Approved by Audit Committee to be comparable to market price.                |
|   |  | 2. Interest expense                             | 0.06  |       | This is a normal business transaction and interest rate of 8% per year.   |
|   |  | Other receivable                                | 8.51  | 0.01  | This is a normal business transaction   |
|   |  | Other Payable                                   | 0.12  | 0.13  | This is a normal business transaction   |
| <b>SIAM FUTURE PROPERTY CO., LTD.</b>           | 24.78% Indirect shareholding through Siam Future Development Plc.  | <b>Expense</b>                                  |       |       |   |
|   |  | 1. Rental, service and utilities fee            | 14.20 | 10.51 | To rent rental space and service to operate cinema and bowling business in Esplanade branch. This is normal transaction and approved by Audit Committee to be comparable to market price. |
|   |  | 2. Advertising Cost                             | 2.40  | -     | This is a normal business transaction   |
|   |  | 3. Other expense                                | 0.40  | 0.30  | This is a normal business   |

|   |       |       |                                       |
|---|-------|-------|---------------------------------------|
|   |       |       | transaction                           |
| Other receivable                                | 12.60 | 10.66 | This is a normal business transaction |
| Deposits (included in other non-current assets) | 0.01  | 0.01  | This is a normal business transaction |
| Other payable                                   | -     | 1.39  | This is a normal business transaction |

#### 3.4. Organization structure after the tender offer

- No change –

#### 3.5. Summary of a contract/agreement/ memorandum of understanding made by the offeror prior to the submission of the tender offer for the purpose of buying and selling the business's securities in material respects, regardless of whether the contract/agreement/memorandum of understanding is made for the purpose of buying or selling securities specified in this tender offer

- None -

#### 4. Opinion of the Board of Directors of the company to shareholders

##### 4.1 Reasons to accept or reject the tender offer

At the Board of Director's meeting No. 1/2017 on 4 January, 2017, the tender offer was considered. Eight directors attended the meeting out of the total 12 members of the Board, as follows:

| Name                              | Position   |
|-----------------------------------|--|
| 1. Mr. Oranop Jantaraprapa        | Chairman   |
| 2. Mr. Pongkit Suttapong          | Vice Chairman  |
| 3. Mr. Nopporn Witoonchart        | Chairman of Executive Committee and Director             |
| 4. Mr. Somnuk Pojkasemsin         | President and Director                                   |
| 5. Mr. Kittinanth Sumruatruamphol | Director and Chief Financial Officer                     |
| 6. Ms. Nantiya Montriwat          | Chairman of the Audit Committee and Independent Director |
| 7. Mr. Dej Bulsuk                 | Audit Committee and Independent Director                 |
| 8. Ms. Sabaihip Suntaros          | Audit Committee and Independent Director                 |

Note: Directors as representatives from the Offeror that did not attend the meeting are as follows: Mr. Vicha Poolvaraluck, Mr. Verawat Ongvasith, Mr. Chai Jroongtanapibarn and Ms. Thitapat Issarapornpat

The Board of Directors of the company have considered the tender offer announcement (Form 247-4) and the opinion of the independent financial advisor (IFA). The Board is of the opinion that the offer price of shares of 6.20 Baht per share is appropriate because the offer price is higher than the fair value done by the independent financial advisor. The market price approach reflects the supply and demand for the company's shares in the market, while the discounted cash flow approach projects the company's ability to generate profits in the future. The price range is between 5.31-6.18 Baht per share.

The Board unanimously agree that shareholders of the company should accept the tender offer. However, shareholders should consider the market price of the securities. If the market price of shares is higher than the offer price, shareholders have the choice to sell their securities on the SET instead, which may generate greater return for them.

Nonetheless, the opinion of the Board is one factor to consider. The decision to accept or reject the offer for securities depends on the discretion of each shareholder. Shareholders should analyze all information, consider the opinion of the IFA, and benefits received from the transaction in making their decision.

**4.2 Opinion and reason of each Board member and the number of shares held by each member (only if the opinion of the Board is not unanimous)**

None, as the opinion of the Board was unanimous.

**4.3 Positive and negative effects of the business plan proposed by the tender offeror in the tender offer announcement and its possibility**

**4.3.1 Status of the business**

According to the Form 247-4, after the completion of the tender offer, the offeror has no intention to delist the Company from the SET except that the offeror has to comply with applicable laws and regulations effective at that time.

Opinion of the Board of Directors

The Board of Directors is of the opinion that the company will maintain its status as a listed company. Therefore, the business and its shareholders will not be affected by the change in business status in the time frame indicated.

**4.3.2 Policy and business plan**

According to the Form 247-4, after the completion of the tender offer, the Offeror has no intention to change objectives strategies, organization structure, financial structure, business plan and investment plan of the Company. The Offeror also has no intention to nominate additional individuals to join Board of Directors and

the Offeror will support on operation of existing executives from now on. In addition, the Offeror had no intend to changes policies on dividend payment of the Company.

#### Opinion of the Board of Directors

The Board is of opinion that the Company will not be affected by the policy, management plan dividend policy because the Offeror has no intention to significantly change the objective of the Company business and maintain its existing business as usual. Therefore, the management will continue due to no material change.

#### **4.3.3 Plan to sell shares of the Company**

The Offeror has no intention to either sell or transfer a significant amount of the issued share capital of the Company both currently held and to be acquired from this Tender Offer to any person within 12 months from the end of Offer Period, except the case that there is a change in the shareholding structure of the Company or Organization, under which case the Offeror may consider and implement the sale or transfer of the issued share capital of the Company by the Offeror to persons under Section 258 of the Securities and Exchange Act B.E. 2532 (1992) or the Offeror is obliged to comply with the law and regulations in force at that time.

#### Opinion of the Board of Directors

According to the Form 247-4, the Offeror has no intention to either sell or transfer a significant amount of the issued share capital of the Company to any person within 12 months from the end of Offer Period. The Board is of opinion that the Offeror will act in accordance with the intention as disclosed in Form 247-4 because the Offeror aims to increase its percentage of shareholing in the long run in order to diversify the business and get return from business. However, the Offeror may sale or transfer of the issued share capital of the Company to persons under Section 258 of the Securities and Exchange Act B.E. 2532 (1992) due to the restructuring of shareholding in the group which will not affect other shareholders or other policy of the Company.

#### **4.3.4 The structure of Board**

According to the Form 247-7, after the tender offer period the Odfferor does not have intention to change the Board of the Company.

#### Opinion of the Board of Directors

The Board is of opinion that the Company will not be affected by the change of the Board because the Offeror does not have intention to change the Board.

#### 4.3.5 Related Party Transaction

Currently, the Business has specified policies and procedures regarding related party transactions to comply with the rules and regulations of the SET and the SEC to prevent any conflict of interests between the Company, its subsidiaries, associate companies and/or any potential conflict persons.

Prior to the tender offer, the Offeror has had transactions with the Company which were rental space for operating business service charge and management fee which these transactions were under a normal business transaction. However, the Offeror will be carefully considered and ensured so that terms and conditions of such transactions are similar to those of normal business transactions at an arm's length basis. There would companies and shareholders. These procedures not be any special terms or preference among the Company, its related companies, associate are consistent with rules and regulations of the SET and seek to ensure that all related party transactions are conducted at arm's length basis. Moreover, The Audit Committee will consider and give opinion on the necessity for entering into such transactions before proposing to the board of directors or shareholders' meeting (as the case may be) for approval.

##### Opinion of the Board of Directors

The Board is of opinion that the Company has continued related transaction with the Offeror since the past until now. The transactions with the Company which were rental space for operating business service charge and management fee were under a normal business transaction. The Offeror does not have intention to significantly change type or size of related transactions as currently done.

As long as the tender offeror complies with relevant laws and regulations of the SEC and the SET, the occurrence of related party transactions, with not conflict of interest, should have no material effect on the business.

#### 4.4 Additional views of the Board of Directors (incase the tender offer is for the purpose of delisting from the SET)

- None-

The current tender offer is not done with the purpose of delisting the company from the SET.

The company would like to ascertain that the information given above is true, correct, and complete. The company has disclosed all material information.

Siam Future Development Public Company Limited

*Mr. Somnuk Pojkasemsin*

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(Mr. Somnuk Pojkasemsin)

*Mr. Kittinanth Sumruatruamphol*

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(Mr. Kittinanth Sumruatruamphol)